



# ***Daily Report***

## **East Asia**

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FBIS-EAS-94-088

### CONTENTS

6 May 1994

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

#### INTER-ASIAN AFFAIRS

ASEAN Ministers Reject Tariff Review Plan [THE NATION 25 Apr] .....	1
Malaysian Minister Views Intra-ASEAN Trade [BUSINESS TIMES 5 May] .....	1
ROK Finance Minister Addresses ADB Meeting [THE KOREA HERALD 5 May] .....	3

#### NORTHEAST ASIA

##### Japan

Reaction to Nagano's Remarks on Nanjing Reported .....	5
Remarks Retraction Reported [Tokyo TV] .....	5
Hata Reprimands Nagano [KYODO] .....	5
Nagano Hints at Resignation [KYODO] .....	5
SDPJ Urges Hata To Sack Nagano [KYODO] .....	6
Mori Calls Remark 'Careless' [KYODO] .....	6
Komeito Urges Nagano To Quit [KYODO] .....	7
Parties Urge Nagano To Resign [KYODO] .....	7
'Sources' on 'Likely' Resignation [KYODO] .....	7
ROK, PRC Criticize Remarks [Tokyo TV] .....	8
Allocation of Thai Rice to Wholesalers Halved [KYODO] .....	9
Food Service Firms Reportedly Serve Foreign Rice [KYODO] .....	9
Mori Interviewed on Strategy To Retake Power [Tokyo TV] .....	9
Business Sentiment 'Improving' at Smaller Firms [KYODO] .....	10
Ministry-Linked Firm Files for Liquidation [KYODO] .....	10
Imports of VCRs, Color TVs Up, Output Down [KYODO] .....	10
Kakizawa Hails South African Election [KYODO] .....	11

##### North Korea

Radio Reports on U.S.-ROK Air Exercises .....	11
Deployment 3 May Detailed [Pyongyang Radio] .....	11
'Surprise Strike' Waged 4 May [Pyongyang Radio] .....	11
Need for New U.S. 'Peace Arrangement' Viewed [KCNA] .....	12
Spokesman Berates ROK Stance on Peace Talks .....	13
KCNA Reports Statement .....	13
Radio Carries Report [Pyongyang Radio] .....	13
SKNDF White Paper on ROK Reactor Development [Pyongyang Radio] .....	14
South Said To Twist Facts on Nuclear Possession [Pyongyang Radio] .....	16
ROK Fast-Breeder Reactor Development Condemned [KCNA] .....	17
South Said To Have Nuclear Bomb Capability [KCNA] .....	17
Remarks by Japanese Justice Minister Condemned [KCNA] .....	18
Kim Il-song Appoints New Construction Minister [Pyongyang Radio] .....	18
Kim Chong-il Meets Chongnyon Vice Chairman [Pyongyang Radio] .....	18
Soldiers Building Suspension Bridge in Nungna [Pyongyang Radio] .....	18

##### South Korea

Reaction to Japanese Foreign Minister's Remark .....	19
Demonstration at Japanese Embassy [YONHAP] .....	19
Foreign Minister Reacts to Remarks [YONHAP] .....	19
Lawmakers React to Remarks [YONHAP] .....	19



Government Urges 'Proper Action' [YONHAP] .....	20	20
Japanese Comment on Remarks [YONHAP] .....	20	
Seoul, Japan Agree on 'Information Superhighway' [YONHAP] .....	21	
Trade Approved by Unification Board Reported [YONHAP] .....	22	
PRC Daily: Shift in Seoul Military Policy [YONHAP] .....	22	
PRC Asks 50,000-Dollar Fine for Captured Boat [YONHAP] .....	22	
Government Welcomes Israeli-PLO Agreement [YONHAP] .....	22	
Jan-Apr Foreign Investment Figures Provided [YONHAP] .....	23	
Yen Rise Boosts Heavy, Chemical Industry Export [YONHAP] .....	23	
Jan-Apr Overseas Construction Orders Reported [YONHAP] .....	23	
BAI To Start Special Inspections of Officials [YONHAP] .....	24	
Hyundai Awaits Government Lift of Sanctions [YONHAP] .....	24	
Agriculture Ministry Marketing Program Ordered [YONHAP] .....	25	

## SOUTHEAST ASIA

### Burma

Thai Minister, Delegation Arrive in Rangoon [Rangoon Radio] .....	26
Khin Nyunt Meets Japanese Politician Watanabe [KYODO] .....	26
* Bridge To 'Promote' Kayin State Economy [THE NEW LIGHT OF MYANMAR 20 Feb] .....	26

### Brunei, Malaysia & Singapore

#### Malaysia

Mahathir Agrees To Meet Clinton at White House [BERNAMA] .....	27
Minister Hails PLO-Israeli Cairo Accord [Kuala Lumpur International] .....	27
Diplomatic Ties Established With Albania [Tirana TV] .....	28
Mahathir Expresses Concern Over Rwanda Situation [BERNAMA] .....	28
* Swedish Firms Vying for Boat, Weapons Contracts [UTUSAN MALAYSIA 6 Apr] .....	28

### Cambodia

Sihanouk Says KR 'Not Interested' in Roundtable [Phnom Penh Radio] .....	28
King Asks Government To Avoid Forcible Recruitment [REAKSMEI KAMPUCHEA 4 May] .....	28
Sihanouk Denies Seeking Foreign Military Aid [Phnom Penh Radio] .....	29
Station Lashes Out at Khieu Samphan's Letter [Phnom Penh Radio] .....	29
Reports on Battlefield Situation Continue .....	29
Government Troops Kill 5 KR [Phnom Penh Radio] .....	29
Route 10 Operations Destroy KR Tanks [Radio VGNUFC] .....	30
Preah Vihear District Claimed by NADK [Radio VGNUFC] .....	30
Khmer Rouge Cite Alleged General Staff Orders [Radio VGNUFC] .....	30

### Indonesia

APEC Exploitation for Unilateral Use Viewed [THE JAKARTA POST 29 Apr] .....	30
Alatas Discusses E. Timor Talks With Portugal [TEMPO 23 Apr] .....	31
Reportage on Alatas' Visit to Bulgaria [cross-reference] .....	31

### Thailand

Reports on Reactions to U.S. Drug Probe Continue .....	32
Top Leaders Confer on MP Facing Charges [Bangkok TV] .....	32
Foreign Ministry's Role Discussed [Bangkok Radio] .....	32
Parliament Ready To Oust Accused MP [THE NATION 6 May] .....	32
Accused MP Claims Innocence [Bangkok TV] .....	34
Police Chief Comments [THE NATION 6 May] .....	34



Editorials Comment on U.S. DEA Drug Charges .....	34
Government Motives Questioned [NAEO NA 5 May] .....	34
Further Inquiry into MP Urged [KRUNGTHEP THURAKIT 5 May] .....	35
Army Official Expects 'Heavy' Cambodian Fighting [Bangkok TV] .....	35
Fighting Reported Along Cambodian Border [NAEO NA 6 May] .....	35

#### Vietnam

Commentary Hails U.S. House Vote on SRV Issue [Hanoi Radio] .....	36
Radio Evaluates Le Duc Anh's Iran Visit [Hanoi International] .....	36
President's Indonesia, Iran Visits Reviewed [Hanoi Radio] .....	37
Japanese Justice Minister's Remarks Criticized [KYODO] .....	38
National Assembly Chairman Meets ROK Delegates [VNA] .....	38
Ho Chi Minh City Communication Systems Increased [VNA] .....	39
Illicit Cross-Border Tobacco Imports Reported [NHAN DAN 15 Apr] .....	39
Regional Telecommunication Meeting Scheduled [VNA] .....	39
Radio Evaluates Le Duc Anh's Iran Visit [Hanoi International] .....	39
Coal Exports by Military Units Face Difficulties [QUAN DOI NHAN DAN 12 Apr] .....	40
* Journal Stresses Importance of Defense Work [TAP CHI QUOC PHONG TOAN DAN Jan] .....	40



### ASEAN Ministers Reject Tariff Review Plan

BK2504043294 Bangkok THE NATION in English  
25 Apr 94 p B3

[Text] MALAYSIAN International Trade and Industry Minister Rafidah Aziz turned down a proposal from Deputy Prime Minister Suphachai Phanitchaphak who suggested ASEAN countries review the tariff cut schedule under the ASEAN Free Trade Area (Afta).

A source from their meeting said that Suphachai asked the ASEAN ministers to compare the tariffs on petrochemical products sector by sector but the ASEAN ministers said that the tariff cut schedule should remain unchanged. Thailand has proposed to cut tariffs on petrochemical products according to the normal track timeframe—that is, tariffs should be cut to 20 per cent over five years from 1996.

Malaysia and Indonesia, however wanted to opt out of cutting tariffs on petrochemicals. Officials said that their rates are still lower or close to the levels implemented by Thailand.

Meanwhile, plastic industry representatives will meet with Dr Sippanon Ketthath, chairman of the Petroleum Authority of Thailand, on April 29 to ask for a tax reduction on raw petroleum in order to protect the plastic and related industries which are to be affected by Afta.

The source said that the plastics industry would like to discuss the effects of protecting the petrochemical industry, and cooperation between the petrochemical and plastic industries on problems which will arise from the government tax restructuring in line with Afta.

The plastics industry is ready to comply with the government tax restructuring but on the condition that the tax on raw materials be reduced more than the tax on plastic products.

If not, small industries consuming plastic pellets would suffer. And in the long term, the petrochemical industry would be hurt since nobody can afford a higher price for plastic pellets in the domestic market, the source said. Also, there is a possibility of cheaper pellets from abroad coming into Thailand, even if the government sets high import duties, the source said.

Although the government will succeed in setting up an Afta Adjustment Fund designed to help industries immediately affected by Afta, small plastics companies will not benefit from it, only large firms, the source said.

### Malaysian Minister Views Intra-ASEAN Trade

BK0505135594 Singapore BUSINESS TIMES in English 5 May 94 p 15

[Interview with Malaysian International Trade and Industry Minister Rafidah Aziz by Yang Razali Kassim in Kuala Lumpur; date not given]

[Text] BUSINESS TIMES: What is the origin of the informal retreat [of ASEAN economic ministers in Awana, Malaysia]?

Mrs. Rafidah: When we have our structured meeting every year, the agenda is already set. We don't have enough time to discuss in-depth the long-term vision for Asean. So when we met last year in Singapore, we agreed that we should have one informal meeting, minus the rigmarole of formality, even without officers.

Because Asean economic ministers have achieved a very high degree of personalised relationships, I am very happy to note the frankness and forthrightness of our discussions.

Q: And what are the instances of this frankness?

A: For example, why some countries are not able to offer some products for tariff cuts. Explanations were given as to why some countries took action to raise tariffs for some products, like Malaysia did. We gave our reasons, so there would be greater understanding. And there were many things that we agreed to do to solve some of the irritations among Asean members in the area of trade.

Most importantly, this sort of meeting provides the ministers with the possibility to filter down to officers certain policy decisions for the future. In the past, it was down-up. Officers make a suggestion and the ministers take it up. In this case, the ministers look at it, decide what is best for Asean, and ask the officers to fine-tune.

Q: We notice some countries are not as ready as others to cut tariffs in some areas.

A: This is where the reasons are discussed. We all agreed that while we understand (why some are not ready to cut tariffs), we must now go back and look closer at the reasons. Some of the reasons are not very valid; they just simply are the lobby tactics of industries which want long-term protection. For those that have no valid economic reasons, we told our counterparts: "Please see to it that you review this."

Q: Within Asean, the bigger countries have different speeds of development such as Indonesia, the Philippines, and Thailand. Being bigger, they need more time to adjust to the demands of the new World Trade Organisation (WTO). Did this fact create any problems in reaching a consensus on how to improve Afta [ASEAN Free Trade Area] at the Awana meeting?

A: Not really. It's just that, in the past, each Asean country volunteered to offer tariff cuts in certain products. Now we have fine-tuned that.

We say, let's determine the common products. Let's say product A, B, C are available in all countries. We take those products, see if we can harmonise tariffs on them, see if we can reduce these tariffs together so that there is no inequitable treatment of domestic industries. Previously, you offered what you could. And then we haggled.



**Q: Is it true that Afta has been slow, to the extent that there is a need to quicken the Afta process?**

**A:** No, Afta is not slow. The Afta schedule has been such that it is not due to begin until now because we announced it last November, and we chose it to be such.

But now we say, harmonise our tariffs, bring them down at the same time—within a shorter period. If we can do this for products in the fast track of Afta, we can do the same for products in the normal track. Eventually the net effect is that Afta will be realised in less than 15 years (as originally scheduled).

The fast track is eight years now; the old normal track is 15. If we can make both categories go faster, naturally the net effect will be a faster rate. So we have deliberately not set any dates and time frame. We want business to look at our products first and let it (the process) evolve so that in a year or two, you will see that there are no more products that will go beyond 10 or 11 years.

**Q: So there will be no specific time frame now?**

**A:** At the moment, no. We've asked them (the officials) to look into it. But eventually when the officers have fine-tuned the products list, we may be able to come up with a schedule that reflects a rapid actualisation of Afta.

**Q: And that rapid pace will have to be consistent with the WTO's programme?**

**A:** No, not necessarily. What we want to do is to make our Afta tariff cuts better than our tariff cuts that were committed under the Uruguay Round. How can it be better? If we multilaterally (at GATT) offered 10 percent cuts in our tariffs, we should offer 5 percent (more) to ourselves. That means the Asean Free Trade Area has got better tariffs than with the rest of the world. That's the target.

**Q: But, at the moment, we do not see any consensus on a shortening of the Afta process or a "strengthening" of it.**

**A:** We all agreed that, after the joint press conference (at Awana, Genting Highlands on April 23), individual ministers will make their announcements. So, wait for a few more days.

**Q: What are the problems faced in the implementation of Afta?**

**A:** One basic problem is the harmonisation of customs codes, which is a strengthening of the Afta process. Then you have preshipment problems. And the problem of standards. But what we face is an administrative

problem. Most of them have to do with (the inconsistency in) customs nomenclatures.

**Q: So the fundamental problem is an administrative one, and that is holding back Afta?**

**A:** Not holding back, but constraining the free flow of trade using the CEPT (Afta's Common Effective Preferential Tariffs scheme). Trade can still happen, but if you use the CEPT, there are concessions. You enjoy tariff cuts.

**Q: So if the proposal at Awana is adopted, there will be no more need for any CEPT fast track in Afta?**

**A:** No. The fast track will still continue. What we can do is to include more items on the fast track, increase the items on the normal track, and shorten the time for the normal track and the fast track to be brought down to the lowest possible tariff levels. That's all we need to do. The fast track will be there, except that it will be faster. The normal track will also be faster. That's the net effect that we hope to see eventually after the study by the SEOM (Senior Economic Officials Meeting).

**Q: Except that there will be no specific time frame for the faster Afta?**

**A:** Well, if the SEOM suggests a time frame, why not? But at Awana, we did not set that. Unless within the next few days you hear something else, it will be safe to say that all of us are agreed that Afta will have to be made more real.

**Q: The CEPT will now be expanded to include new elements such as raw agricultural products and services?**

**A:** Yes. Raw agriculture is a very new element. It is a very important decision. Many of us are agriculture-based. If we can find common agricultural products that can be subjected to one harmonised tariff, and at the second stage, to tariff cuts to zero or to the lowest level—at the same time—then we should do it first.

**Q: What's the significance of the proposed framework of cooperation in the services sector, which the ministers agreed to introduce?**

**A:** The services sector is being looked at now because services have become important in global trading. The significance of the proposed framework is that in the past, we've had suggestions mooted by the various (Asean) committees. Many of these were not followed up. Yet there is room and potential for cooperation in transportation, tourism, professional services, and also in financial services.



**Q:** So, basically, the idea is to open up the area of services to each other?

**A:** Selected ones. Those which will not cause dislocation for domestic services and industries. We haven't identified them. The senior officials will look at it in greater detail.

**Q:** Do you anticipate some problems here, resistance from some industries?

**A:** Yes, that's why the senior officials have been asked to study it. So, we have to identify areas of least difficulty and move them first.

**Q:** What is the likelihood of this frame work being adopted?

**A:** Very likely. The framework will be discussed in greater detail in September. What we hope to do is to have this framework, if it is feasible, ready for the (Asean) leaders meeting next year.

**Q:** Was there any reservation on the part of the other countries?

**A:** What we have announced was based on consensus. We took note of reservations, but conceptually there was a consensus to have this studied. The formal decisions, one way or the other, will be made at the structured meetings. The next one is in September.

#### **ROK Finance Minister Addresses ADB Meeting**

*SK0505071694 Seoul THE KOREA HERALD  
(Supplement) in English 5 May 94 p 1*

[Address delivered by Hong Chae-hyong, ROK minister of finance and governor for the ROK, at the 27th annual meeting of the ADB Board of Governors in Nice, France on 4 May]

[Text] Mr. Chairman, fellow governors, ladies and gentlemen:

I am very honored, on behalf of the Korean government, to address the 27th Annual Meeting of the ADB [Asian Development Bank] in this beautiful coastal city of Nice. On this occasion, I would like to join the other governors in expressing our appreciation to the people of Nice for their warm welcome and hospitality. Also, I would like to welcome the Republics of Kazakhstan and Kyrgyz to the Bank, and wish their successful integration into the Asian Pacific economy. Moreover, congratulations are due to President Sato who has been appointed to take on the important task of leading the Bank through this critical period facing the region.

Recently, however, some symptoms have surfaced which may cloud this optimistic outlook. First, contrary to our expectations, recent positive developments in the world trade system are being overshadowed by the unfortunate revival of bilateralism and unilateralism. Meanwhile, the continued strong growth of the DMC [Developing

Member Country] economics and the relatively slack growth of the industrialized countries have recently altered the world trade structure.

While the proportion of trade between industrialized countries has declined, the opposite is true for trade between the DMCs and the industrialized countries, it is also true that such developments can occasionally engender economic conflicts and frictions that may in turn lead to unilateralism and bilateralism. Another problem that requires our attention is that of infrastructure shortages and transborder pollution. Present economic growth of the region cannot be maintained unless bottlenecks arising from insufficient infrastructures are effectively addressed to meet the growing demand.

According to the ADB's annual report, we will need to invest up to \$1 trillion on physical infrastructure by the year 2000, if our economic development is to remain on course. In addition, rapid industrialization has brought on environmental problems that are now spilling pollution over to the neighboring countries. If not addressed in the early stage, this environmental problem will engender an enormous burden to the countries and the region concerned. It will be wiser to tackle the problem early on when costs are relatively low, than to defer it later only to discover spiral of costs.

#### **ADB Policy Direction**

Mr. President:

I would like to applaud the Bank's efforts last year to reduce poverty, increase infrastructure investment, and protect the environment, and would also like to praise its efforts to improve the quality of projects. On this occasion, let me also suggest some further policy directions for the Bank.

First, I suggest the Bank strengthen its research activities to promote DMCs to transform their economies to more open ones, with proper emphasis given to the unique economic situations of the region. I also suggest that the Bank provide many more forums for the industrialized countries and DMCs to deepen their mutual understanding of the regional economy. The Bank can achieve these by actively assisting the APEC [Asia Pacific Economic Cooperation] Finance Ministers' Meeting that was arranged to exchange experiences and lessons on economic policy of the finance ministers from the region.

Second, to address the problem of infrastructure shortage and its accompanying financing problem, I urge the Bank to undergo a comprehensive study relevant to the regional situation. While engaging in such research, the Bank should fully consider ways to effectively manage demand-side and meet the financial requirements.

Third, as for the regional environmental problem, I urge the Bank to pay special attention to the discussions within ESCAP [Economic and Social Commission for



Asia and the Pacific] and UNEP [United Nations Environment Program] that have become active since the Rio meeting in 1992. In line with this, the Bank should extend technical and financial assistance to address the problem of transborder air pollution and radioactive waste disposal. On this occasion, I am pleased to announce that Korea will be contributing from next year 4 mil. SDRs [special drawing rights] to the Global Environment Facility.

#### **Korea and economic development**

Fellow governors:

Recently, Korea has been faced with two major challenges in the area of economic development. These are the challenge of liberalizing and opening the financial market, and the challenge of expanding our inadequate infrastructure investment.

First, we announced last June our comprehensive blueprint for financial liberalization and market opening. In connection with this, I should mention that we have not only faithfully implemented the liberalization measures as scheduled, but, in numerous cases, have also advanced them. And it is our firm determination to strengthen these efforts of financial liberalization in the future. Interest rate deregulation, relaxation of foreign exchange restrictions, and liberalization of overseas portfolio investment were the major areas of progress.

To further accelerate our foreign exchange and capital account liberalization, a medium-term reform plan will be announced by the end of this year that should significantly revamp our current foreign exchange system. Also, to make Korea a more favorable place for foreign direct investments, comprehensive policy measures will be announced next month to improve the financial and tax environment and to introduce convenient one-stop service for foreign investors. Moreover, starting early next year, ADB will be able to issue won-denominated bonds in the Korean market. This will contribute not only to the internationalization of our financial system, but also to the diversification of ADB's financing channels.

Now a word on infrastructure investment. In recent years, the supply of physical infrastructure became clearly inadequate to meet the demand arising in the course of our rapid economic growth. To solve this

bottleneck of our economy, we are now again putting strong emphasis on infrastructure investment. As such, we have established an investment program amounting to \$69 billion between 1993 and 1997. And to secure the necessary funds, a transportation tax has been newly introduced and capital from the private sector will be actively invited.

Speaking of our economic cooperation we have significantly expanded our cooperation with the 3 DMCs. While our total trade increased 35 percent during the past five years, our trade with the DMCs increased 90 percent. And during the same period, whereas our overseas direct investment increased almost six times. In addition, almost 40 percent of the funds from our Economic Development Cooperation Fund, the main source of bilateral assistance, were extended to the Asian region. With a significant expansion of the Fund, the size of our financial assistance will quadruple this year.

Furthermore, we are now under the process of cofinancing with the ADB the power transmission project in the Philippines. This project, the first since the cofinancing agreement settled last June, is sure to be a stepping stone for further cofinancing in the region.

#### **Concluding statement**

Mr. President, and fellow governors:

As a significant engine of the world economy, Asia has now emerged onto the global scene, attracting more interest than ever before from the nonregional countries.

Before long, time may come when the economic success of Asia will largely determine the progress of the world economy. Thus, the Bank has to develop a new growth strategy for the region tailored to the circumstances of the Asian countries which are now facing the wave of market opening pressures. And the regional member countries must double their efforts to maintain their role as the catalyst fueling the world economy.

With these efforts, I envision a future when the Bank's role will be defined not merely as a development bank, but as an organization with a broader obligation of forging closer the regional cooperation among the Asian countries.

Thank you very much. dd



## Japan

### Reaction to Nagano's Remarks on Nanjing Reported

#### Remarks Retraction Reported

OW0605094994 Tokyo NHK General Television Network in Japanese 0700 GMT 6 May 94

[Announcer-read report over video]

[Text] Justice Minister Nagano held a news conference this afternoon to clarify his remarks that the Nanjing atrocity is a fabrication. During the news conference, he said his remarks were inappropriate and retracted his controversial remarks.

[Begin Nagano recording] My recent remarks regarding Japan's past history were inappropriate and I would like to retract them.

With regard to the Nanjing atrocity [kakyusatsu], as I just said a while ago, I do not deny its occurrence. I think that the Nanjing atrocity was a very unfortunate incident. I also believe that the Nanjing atrocity was an incident for which Japan must apologize to the Chinese people. [end recording]

As for the question of his resignation, Justice Minister Nagano told the news conference: I talked by telephone with Prime Minister Hata last night. I and Prime Minister Hata share the same perception of the war. I will follow instructions from Prime Minister Hata who appointed me to the post of justice minister. In this way, he indicated that he will follow instructions from Prime Minister Hata who is due to return to Japan tomorrow.

During an interview with MAINICHI SHIMBUN, Justice Minister Nagano said that the Nanjing atrocity is a fabrication. In reaction to Nagano's reported remarks, Chinese President Jiang Zemin has expressed his displeasure with Nagano's statement and the Chinese Foreign Ministry has formally asked the Japanese Government to clarify his statement. In this way, the justice minister's remarks have triggered an international controversy. Prime Minister Hata issued a statement in Paris that the justice minister's remarks are inappropriate.

#### Hata Reprimands Nagano

OW0605025194 Tokyo KYODO in English 0217 GMT 6 May 94

[Text] Tokyo, May 6 KYODO—Prime Minister Tsutomu Hata personally reprimanded Justice Minister Shigeto Nagano in a telephone call for calling the 1937 Nanjing massacre a fabrication, a high-ranking government source said Friday [6 May].

The source said Hata, currently on a four-nation European tour, was flabbergasted by Nagano's remarks on the Nanjing massacre in an interview which appeared in the

MAINICHI SHIMBUN's Wednesday editions. The source said the premier was "very concerned" about the fallout from Nagano's statement and expressed understanding of China's prompt reaction to it. The source said Nagano, 71, will hold a news conference Friday afternoon to explain his remark and apologize.

#### Nagano Hints at Resignation

OW0605102694 Tokyo KYODO in English 1014 GMT 6 May 94

[Excerpt] Tokyo, May 6 KYODO—Justice Minister Shigeto Nagano hinted at his resignation Friday [6 May] over his earlier remarks that the 1937 Nanjing massacre is a fabrication, saying the remarks were "inappropriate." Nagano told a news conference that he wants to completely recant his denial of the 1937 Nanjing massacre which he had made in Wednesday's edition of the MAINICHI SHIMBUN, saying the slaughter was an "undeniable fact."

"My remarks regarding the historical incident (of the Nanjing massacre) which I made the other day were inappropriate, so I would like to withdraw them," Nagano said.

Nagano said, "I share exactly the same view with Prime Minister (Tsutomu) Hata, who said in Paris that our country's invasion and colonial rule (of Asian neighbors) inflicted unbearable suffering and sorrow on many people."

"I feel responsibility deeply, so I would like to live up to the decision of Hata who appointed me to this office," he said.

Hata, currently on a four-nation European tour, reprimanded Nagano over the phone on Friday for his remarks, government sources said.

Nagano told the mass-circulation MAINICHI that "the Nanjing incident was a fabrication," and that "I still think it wrong to define the war as a war of aggression (by Japan)."

The sources said Hata was "very concerned" about the Asian reaction to this latest attempt to reinterpret Japan's prewar history. "The aggressive behavior of our nation and colonial domination caused unbearable suffering and sorrow on many people," Hata reportedly told Nagano while outlining his cabinet's position.

Supporting former Prime Minister Morihiro Hosokawa's remarks that Japan made the invasion toward Asian nations, Nagano said during Friday's news conference, "Japan with its self-righteous attitude invaded (those nations) and gave unbearable pain to (their) people." Nagano said, "each Japanese citizen must recognize these historical incidents and share the resolve not to repeat these things."



Nagano, 71, a graduate of the former elite Japanese Military Academy, assumed the post of first lieutenant in the Japanese Imperial Army in 1945 when World War II ended.

Nagano, a House of Councillors member of the coalition's core party Shinseito [Japan Renewal Party], is a former chief of staff of the Ground Self-Defense Force.

Nagano, saying he had visited Nanjing several times before the end of the World War II, however, said that the number of people who were killed in Nanjing is not certain. "But, there must have been a massacre even if the number of those killed differs according to historians."

On the so-called foreign "comfort women" who were forced to provide sex to Japanese soldiers during World War II, Nagano said the government "should deal with the issue sincerely."

Beijing and Seoul led Asian nations in condemning Nagano's remarks, with South Korean Foreign Minister Han Sung-chu calling the remarks a distortion of historical facts.

Domestically, the chorus of reprimands continued to build. [passage omitted]

#### **SDPJ Urges Hata To Sack Nagano**

*OW0605051394 Tokyo KYODO in English 0504 GMT  
6 May 94*

[Text] Tokyo, May 6 KYODO—Japan's No. 2 opposition party urged Prime Minister Tsutomu Hata on Friday [6 May] to sack Shigeto Nagano as justice minister over his remark that the 1937 Nanjing massacre is "a fabrication." The Social Democratic Party (SDP) will demand Nagano's dismissal unless Hata sacks him, said Koken Nosaka, the SDP Diet Affairs Committee chairman.

In an interview with mass-circulation daily MAINICHI SHIMBUN published Wednesday, Nagano denied that the Nanjing massacre happened and said it is wrong to call Japan's World War II campaign a war of aggression. Following the invasion of Nanjing in December 1937, Imperial Japanese Army troops slaughtered more than 300,000 Chinese civilians, according to Chinese estimates.

Japanese historians, however, tend to cite much lower estimates and some also contend that the mass killings were not ordered but caused by troops that got out of hand. The international war tribunal estimated the number at more than 200,000.

On Wednesday, a Chinese Foreign Ministry spokesman said, "a Japanese cabinet member went so far as to publicly distort history, deny the historical facts and defend the Japanese militarists' aggression. We are shocked and indignant about this."

South Korea's Foreign Minister Han Sung-chu told Japanese Ambassador to South Korea Toshio Goto on Friday that Nagano's remarks are a distortion of historical facts.

Nagano, a member of the House of Councillors and a former chief of staff of the Ground Self-Defense Force, was given the justice portfolio in the cabinet of Prime Minister Tsutomu Hata on April 28.

The SDP, whose members voted for Hata in the Diet's prime ministerial elections April 25, quit the ruling coalition last week in protest against the establishment of a large parliamentary grouping by coalition partners, excluding the SDP.

The country's two largest parties, the Liberal Democratic Party and the SDP, are now both in the opposition camp.

The Japanese Communist Party (JCP) also demanded Nagano's dismissal, saying it cannot pardon his remark that completely denies Japan's historic crime.

Kazuo Shii, chief of the JCP Secretariat, said Nagano's remark "is an astonishingly wild one to defend the worst war crimes by the Japanese militarism...The Nanjing massacre has been proved by a number of concrete facts." Shii said if Hata obscures the matter, it will lead to no confidence of the cabinet.

#### **Mori Calis Remark 'Careless'**

*OW0605090294 Tokyo KYODO in English 0846 GMT  
6 May 94*

[Text] Tokyo, May 6 KYODO—The leading opposition Liberal Democratic Party, whose elders have repeatedly caused international stirs with comments sanitizing Japan's war crimes, criticized Justice Minister Shigeto Nagano on Friday [6 May] for making a "careless" remark on the 1937 Nanjing massacre.

LDP Secretary General Yoshiro Mori said in a prepared statement, "the justice minister's comments were careless and the LDP cannot help saying he should have exerted greater caution as an incumbent cabinet minister."

Mori, the LDP's No. 2 man, "it must be Japan's basic political attitude in the eyes of domestic and international people to seek to build peace in order to prevent an unhappy war from being repeated." [paragraph as received]

His comments followed an international uproar triggered by Nagano's remark that the 1937 massacre at the then Chinese capital of Nanjing was a "fabrication."

Mori's comments contrasted sharply with those by some top LDP policymakers and elders after former Prime Minister Morihiro Hosokawa described Japan's invasion of Asian neighbors in the 1930s and 1940s as a "war of aggression."



Ryutaro Hashimoto, chairman of the LDP's Policy Affairs Research Council, at that time criticized Hosokawa's remarks as insensitive to the bereaved families of Japanese soldiers who perished in battlefields before and during World War II. "We don't want (the prime minister) to say something that might trigger repercussions," Hashimoto said.

### **Komeito Urges Nagano To Quit**

*OW0605090794 Tokyo KYODO in English 0850 GMT  
6 May 94*

[Text] Tokyo, May 6 KYODO—The leader of the No. 2 party in the ruling coalition urged Justice Minister Shigeto Nagano on Friday [6 May] to step down to take the blame for an international outcry triggered by his remark concerning Japan's wartime brutalities.

Komeito Secretary General Yuichi Ichikawa said, "although it was proper for him to have withdrawn his remark, it does not release him from the need to take the responsibility as a cabinet minister." Ichikawa is regarded as the archally of the prime coalition strategist Ichiro Ozawa.

Nagano, the 71-year-old army general-turned politician, is from Ozawa's Shinseito [Japan Renewal Party]. Shinseito and Komeito have closely cooperated in pushing the policies of the coalition government.

Ichikawa went on to say the remark was "inappropriate as that of a cabinet minister." Ichikawa made the remarks a few hours after Nagano apologized for making the remark that the 1937 Nanjing massacre was a "fabrication."

### **Parties Urge Nagano To Resign**

*OW0605091394 Tokyo KYODO in English 0857 GMT  
6 May 94*

[Text] Tokyo, May 6 KYODO—The leader of Japan's No. 2 opposition party urged Justice Minister Shigeto Nagano to resign over his remark that the 1937 Nanjing massacre is "a fabrication."

Tomiichi Murayama, chairman of the Social Democratic Party [of Japan, SDPJ] (SDP), said the matter has not ended even if Nagano retracted his earlier remark. "Mr. Nagano should take responsibility and make clear his course of action," he said.

Earlier in the day, Koken Nosaka, the SDP's Diet Affairs Committee chairman, urged Prime Minister Tsutomu Hata to sack Nagano as justice minister.

The SDP will demand Nagano's dismissal unless Hata sacks him, Nosaka said.

In an interview with the mass-circulation daily MAIN-ICHI SHIMBUN published Wednesday, Nagano denied that the Nanjing massacre happened and said it is wrong to call Japan's World War II campaign a war of aggression.

Following the invasion of Nanjing in December 1937, Imperial Japanese Army troops slaughtered more than 300,000 Chinese civilians, according to Chinese estimates.

Japanese historians, however, tend to cite much lower estimates and some also contend that the mass killings were not ordered but caused by troops that got out of hand. The international war tribunal estimated the number of those killed at more than 200,000.

In a news conference Friday, Nagano retracted the remark which he said was an improper one.

The Japanese Communist Party (JCP) also demanded Nagano's dismissal, saying it cannot pardon his remark that completely denies Japan's historic crime.

Kazuo Shii, chief of the JCP Secretariat, said Nagano's remark "is an astonishingly wild one to defend the worst war crimes by Japanese militarism...the Nanjing massacre has been proved by a number of concrete facts." Shii said if Hata obscures the matter, it will lead to no confidence of the cabinet.

On Wednesday, a Chinese Foreign Ministry spokesman said, "a Japanese cabinet member went so far as to publicly distort history, deny the historical facts and defend the Japanese militarists' aggression. We are shocked and indignant about this."

South Korea's Foreign Minister Han Sung-chu told Japanese Ambassador to South Korea Toshio Goto on Friday that Nagano's remarks are a distortion of historical facts.

Nagano, a member of the House of Councillors and a former chief of staff of the Ground Self-Defense Force, was given the justice portfolio in the cabinet of Prime Minister Tsutomu Hata on April 28.

The SDP, whose members voted for Hata in the Diet's prime ministerial elections April 25, quit the ruling coalition last week in protest against the establishment of a large parliamentary grouping by coalition partners, excluding the SDP.

The country's two largest parties, the Liberal Democratic Party and the SDP, are now both in the opposition camp.

### **'Sources' on 'Likely' Resignation**

*OW0605120994 Tokyo KYODO in English 1024 GMT  
6 May 94*

[Excerpt] Tokyo, May 6 KYODO—Tsutomu Hata will make his parliamentary debut as prime minister next week with a relatively high public rating but surrounded by increasingly hostile opposition forces determined to topple his minority government.

The Hata coalition itself already appears to be in disarray with rifts emerging within two of its partners—the Japan New Party (JNP) headed by Hata's predecessor in



the premiership Morihiro Hosokawa and the Democratic Socialist Party (DSP).

Another headache for the Hata cabinet, inaugurated in late April, is a controversial remark on Japan's wartime actions by Justice Minister Shigeto Nagano which angered its Asian neighbors still harboring memories of Japanese aggression before and during World War II.

Political sources said Nagano, a former chief of staff of the Ground Self-Defense Force, will likely be forced to resign only a few days after he was installed in the post.

Nagano, who participated in the invasion of China as an Imperial Army soldier, told the MAINICHI SHIMBUN newspaper this week that the 1937 Nanjing massacre, in which China says more than 300,000 Chinese civilians were killed, is a "fabrication." He also challenged Hosokawa's statement that Japan waged "a war of aggression and a wrong war," saying Japan fought the war to liberate Asian countries from their Western colonizers.

His remark immediately sparked sharp and bitter reactions from China, South and North Korea, Taiwan, Singapore and other Asian countries.

Hata, now touring Europe, also criticized Nagano, saying the remarks were "inappropriate" and Japan's wartime aggression inflicted "unbearable pain and sorrow on many people."

The Social Democratic Party (SDP), the country's No 2 opposition party, has called on Hata to sack Nagano. The Japanese Communist Party and Komeito, a coalition partner, have also demanded his dismissal.

The prime minister will deliver a policy speech to both houses of the Diet next Tuesday, and will answer questions from both ruling and opposition legislators Thursday and Friday as well as May 16.

The prime minister is taking the helm at a time when Japan faces such major issues as a trade row with the United States, tax reform and the suspected North Korean development of nuclear weapons.

But the most immediate task for his cabinet is the parliamentary passage of the overdue national budget for fiscal 1994 which began April 1. Speculation is mounting that the cabinet will be forced to resign en masse or dissolve the House of Representatives for a snap general election after the budget, badly needed to rev up an economy in the doldrums, has been cleared through the Diet.

The major opposition Liberal Democratic Party (LDP), ousted from power by Hosokawa last August after steering the nation for 38 years straight, is poised to join hands in Diet business with the SDP, which bolted the Hata coalition to become the No. 2 opposition force.

With the withdrawal of the SDP, the largest power group in the former coalition in terms of number of Diet

members, the Hata camp's strength in the lower chamber has been reduced to 182, far short of the 256 majority in the 511-member house.

Since both the LDP and the SDP have pledged to cooperate with Hata in passing the national budget, no major political upset is predicted before its clearance, but Diet business thereafter will be tough going for the Hata administration, political commentators concurred.

Political sources said Hosokawa's JNP, from which three lawmakers have already deserted, will see a further desertion this week—possibly more than 10 of its 37 members—as dissatisfaction mounts over its leadership's inclination toward Shinseito [Japan Renewal Party] and Komeito, the core power blocs in the coalition.

Similar disgruntlement is also swirling among members of the DSP, whose head Keigo Ouchi masterminded a plan to form a parliamentary group—the plan which eventually drove the SDP, antagonistic to some of the political initiatives of Shinseito and Komeito, out of the coalition, the sources said.

Despite the political waves, the Hata cabinet maintains a high public popularity, although the rating is considerably lower than that of the Hosokawa government when it was inaugurated.

A KYODO NEWS SERVICE poll conducted this week gave the Hata cabinet a 51.6 percent public approval rating, 24.1 percentage points less than the Hosokawa administration at its inception.

Important economic figures to be released next week include the international balance of payments for April and fiscal 1993 (Monday).

The Economic Planning Agency will release a monthly economic report Tuesday. [passage omitted]

### ROK, PRC Criticize Remarks

*OW0605133894 Tokyo NHK General Television Network in Japanese 1015 GMT 6 May 94*

[Announcer-read report over video: from the "NHK News 7" program]

[Text] Justice Minister Nagano has said that the Nanjing atrocity is a fabrication and South Korea and China are reacting against his remarks.

South Korean Foreign Minister Han Sung-chu called in Japanese Ambassador to Seoul Toshio Goto today to protest against Nagano's remarks. During his meeting with the Japanese ambassador, Foreign Minister Han said: We regret Justice Minister Nagano's remarks which have thrown cold water on new efforts by the South Korean and Japanese Governments to build a new relationship. I hope the Japanese Government will take proper steps to deal with his remarks.



About 50 South Korean bereaved family members of victims of the Pacific war assembled today in front of the Japanese Embassy in Seoul to throw eggs into the embassy building and demand the sacking of Justice Minister Nagano.

Meanwhile, the Chinese Government is believed to be assessing to some extent Justice Minister Nagano's retraction of his remarks that the Nanjing atrocity is a fabrication. So far, however, some Japanese cabinet ministers have denied Japan's war of aggression against China and the atrocity perpetrated by Japanese soldiers in China. Therefore, the Chinese Government is expected to carefully watch how the Japanese Government will deal with Nagano's remarks.

South Korean and Chinese Governments are asking the Japanese Government to take proper steps to deal with the controversial remarks through Japanese embassies in Seoul and Beijing. In response, Foreign Ministry spokesman Terada has said that the Japanese Government intends to respond to the South Korean and Chinese Governments through diplomatic channels about how the Japanese Government plans to deal with the controversial remarks after Prime Minister Hata returns home tomorrow.

#### **Allocation of Thai Rice to Wholesalers Halved**

*OW0605121394 Tokyo KYODO in English 1030 GMT  
6 May 94*

[Text] Tokyo, May 6 KYODO—The Food Agency will halve the amount of Thai rice it allots to rice wholesalers in May due to poor sales, agency officials said Friday [6 May]. Stocks of the Thai grain are beginning to pile up at both the wholesale and retail stages in reflection of its unpopularity among consumers, the officials said.

The step is temporary and the agency will decide on further measures after seeing how sales go, they said.

Rice wholesalers said, however, it will be difficult to adjust the oversupply in Thai rice unless the government continues to cut down on its compulsory allocation.

The agency has so far sold domestic rice, imported medium- to short-grained rice, and long-grained Thai rice at a 3-to-5-to-2 ratio.

Thai rice has proved difficult to sell, with many consumers leaving packages at stores after unwillingly buying them in a set with other types of the grain, according to industry officials.

#### **Food Service Firms Reportedly Serve Foreign Rice**

*OW0605100794 Tokyo KYODO in English 0725 GMT  
6 May 94*

[Text] Tokyo, May 6 KYODO—About 90 percent of food service firms surveyed serve foreign rice to customers, according to a private survey published Friday [6 May].

The survey, compiled by the Japan Food Service Association, showed that 167, or 91.3 percent, of the 183 firms polled said they use foreign rice.

Of the 167 companies, about 50 percent said foreign rice accounts for more than half of the rice they serve.

Around 80 percent of them also said they do something to improve the taste, like adding additives.

The poll, conducted in mid-April, also found that U.S.-grown rice is the most frequently used, followed by grains from Thailand, China, and Australia.

Asked about how foreign rice is received by customers, 41.4 percent reported little reactions, while 37.2 percent noted mostly favorable reactions. Another 5.5 percent replied foreign rice is only poorly received.

#### **Mori Interviewed on Strategy To Retake Power** *OW0505132994*

[Editorial report] Tokyo FNN Television Network in Japanese at 2236 GMT on 30 April, in its "News 2001" program, carries a live 25-minute interview with Yoshiro Mori, secretary general of the opposition Liberal Democratic Party (LDP), by FNN announcers Yuji Kuroiwa and Tomomi Seki, political commentator Kenichi Takemura, and Keio University Professor Yoshiaki Kobayashi at the FNN studio in Tokyo.

At the outset of the interview, Kuroiwa asks Mori to comment on the Hata coalition government. Mori stresses: "If the LDP—the largest political party—had formed a coalition government, the current political upheaval would have not occurred." Calling the Hosokawa coalition government a "failure," Mori notes that the ruling coalition partners had difficulty in coordinating policy amongst themselves, then stresses: "The coalition partners should have turned over power to the LDP in accordance with the principle of constitutional government."

Discussing the fate of the Hata government, Mori notes the 206 seats held by the LDP in the House of Representatives, stating: "The Hata cabinet is saddled with too many problems in various aspects." During the interview, Mori criticizes Prime Minister Hata for not apologizing to the people for supporting former Prime Minister Hosokawa while he served as deputy prime minister in the Hosokawa cabinet. Mori emphatically states: "In any case, we have to get a budget bill for fiscal 1994 passed in the Diet. He adds: "Various changes are expected to take place once the budget bill is enacted." Discussing the prospects of the LDP retaking power, Mori states: "The LDP is presently engaged in soul-searching on its losing power, using the time to make various efforts and study various things." He adds: "From now on, the LDP will have to consider the process of retaking power and work on polishing its public image."



Asked by Kuroiwa about the possibility of the LDP seeking an alliance with the Social Democratic Party of Japan [SDPJ] in a bid to return to power, Mori states: "It would be very difficult to reach an agreement with the SDPJ on policies."

Noting that an FNN poll shows 64.3 percent of the voters believe the House of Representatives must be dissolved prior to general elections once the budget bill is enacted in the Diet, Kuroiwa asks Mori to comment. Mori discusses how the LDP worked on political reform, particularly the reform of the current electoral system in the past, stating: "The next general elections must be held under a new electoral system called the combined electoral system of proportional representation and single-seat constituency." Hinting at the possibility of the LDP submitting a no-confidence motion to the Diet against the Hata cabinet for delaying the enactment of the budget bill, Mori stresses: "All Diet members are responsible for speedy deliberation of the budget bill and its quick enactment."

Discussing how the LDP intends to retake power, Mori points out: "Hata has virtually no knowledge of how to stimulate the economy." He discovered this when Hata served as finance minister in the LDP government. Noting that "industrialists and business managers have come to find that only the LDP's policies can make it possible to run Japan's economy smoothly," Mori says: "The LDP is presently working hard to polish its public image."

Asked by Kuroiwa about the possibility of the LDP splitting again, Mori states: "The LDP is formed by politicians with differing views."

Kuroiwa concludes the interview at 2351 GMT after thanking the participants.

#### **Business Sentiment 'Improving' at Smaller Firms**

*OW0605100694 Tokyo KYODO in English 0923 GMT  
6 May 94*

[Text] Tokyo, May 6 KYODO— Business sentiment among small and medium-sized firms is improving, a survey by the Japan Finance Corporation for Small Business showed Friday [6 May].

According to the survey taken in the January-March period, the diffusion index (di) for the economy stood at minus 28.2, improving 9.0 percentage points from the previous three months and contracting for the second quarter in a row. The figure represents the number of companies saying the economy is worsening subtracted from those saying it is picking up.

A corporation official said the minus figure is still large, adding, "we need to wait and watch a little more before saying the trend has changed" from the recessionary stage.

The di for sales and profit improved for the second term in a row, but the di for the number of employees remained weak.

The survey was conducted on 13,000 small and medium-sized companies at the end of March, with 45.7 percent responding.

#### **Ministry-Linked Firm Files for Liquidation**

*OW0605025694 Tokyo KYODO in English 0237 GMT  
6 May 94*

[Text] Tokyo, May 6 KYODO—A finance company owned by an affiliate of the Ministry of Posts and Telecommunications on Friday [6 May] filed for liquidation under court protection, a private credit research agency said.

Teikoku Databank Ltd. said the company, Koshin Shoji, had debts as of late February totaling 101 billion yen accruing from bad loans against the backdrop of the prolonged recession. The amount of debt left by the company is the third-largest this year, Teikoku Databank said.

Koshin Shoji is owned by Yusei Gojokai, a mutual aid organization that handles retirement funds for the postal ministry's 250,000 employees.

#### **Imports of VCRs, Color TVs Up, Output Down**

*OW0605055194 Tokyo KYODO in English 0515 GMT  
6 May 94*

[Text] Tokyo, May 6 KYODO—Imports of home-use videocassette recorders (VCRs) and color television sets continued to increase in March while domestic production of the appliances remained depressed, an industry report showed Friday [6 May].

The report issued by the Electronic Industries Association of Japan said March imports of VCRs rose 10.0 percent from a year earlier to 60,000 units, while those of color TVs soared 106.9 percent to 485,000.

South Korea was the biggest supplier of VCRs in the month, accounting for 30,000 of the total, while more than 30 percent of foreign-made color TVs came from Malaysia. Malaysia came second after South Korea in VCR exports to Japan and South Korea followed Malaysia in TV shipments.

Other major suppliers of VCRs and TVs are Thailand, Indonesia, Taiwan, and Singapore.

Domestically produced VCRs numbered 1,389,000 in March, down 9.0 percent, while domestic output of color TVs decreased 8.4 percent to 907,000.

VCR shipments totaled 1,528,000 units, down a sharp 24.5 percent, with those for the domestic market accounting for 425,000 units, up 6.0 percent.



VCR exports in the month declined 15.2 percent to 1,424,000 units, as shipments to the United States, the European Union (EU), and some Asian countries were sluggish.

Shipments of color TVs amounted to 1,236,000 units, up 8.3 percent, of which 833,000, or 2.1 percent more than the year-earlier levels, were for Japanese consumers. Exports of color televisions totaled 362,000 units, a 25.4 percent jump, with those to China, Hong Kong, the U.S., and the United Arab Emirates posting increases.

### **Kakizawa Hails South African Election**

*OW0605031994 Tokyo KYODO in English 0301 GMT  
6 May 94*

[Text] Tokyo, May 6 KYODO—Foreign Minister Koji Kakizawa, currently on a trip to the Middle East, issued a statement Friday welcoming south Africa's first free elections and signaling Japan's willingness to consider extending yen loans.

Kakizawa said in his statement, issued in Tokyo, that Japan will sharply improve its technology cooperation with South Africa and consider providing yen loans for the African country's economic and social infrastructure once Pretoria meets conditions for accommodating such foreign aid.

## **North Korea**

### **Radio Reports on U.S.-ROK Air Exercises**

#### **Deployment 3 May Detailed**

*SK0605115294 Pyongyang Korean Central  
Broadcasting Network in Korean 1200 GMT 4 May 94*

[Text] According to a military source, on 3 May, the U.S. imperialists deployed from overseas bases for mobile operations several tens of fighter planes and lethal equipment in South Korea. Following this, they waged a provocative joint aerial war exercise aimed at a northward invasion.

That day, F-15 fighter-bombers, FA-18 pursuit-assault planes, AV-8 vertical take-off and landing assault planes, KC-135 refueling planes, which were flown in from U.S. Pacific bases, were deployed for mobile operations at the bases of the U.S. occupation air force in South Korea.

That day, too, C-141 and C-130 transport squadrons carrying numerous troops of aggression and lethal equipment flew into South Korea one after another from overseas bases.

In accordance with the integrated operational plans of the U.S. Pacific Area Air Force Command and Naval Command, a joint aerial war exercise of a northward invasion was frantically waged, centered on the areas over Tokchok Island, Yaju, Chongson, and Muju that day.

Put into this frantic war exercise were airplane squadrons, which had come for mobile operations from overseas bases, and about 450 fighter-bombers, assault planes, observation planes, reconnaissance planes, and armed helicopters belonging to the U.S. occupation air force in South Korea and to the puppet air force.

Within the system of this war exercise, KC-135 refueling planes conducted midair refueling for about 50 F-16 and F-15 fighter-bombers which were flying around for a joint aerial war exercise of a northward invasion, using an area over the sea off Kunsan as an operational arena.

This war exercise, sputtering the fire of a war [chon-jaengui pulshiga tuingguinun], was a reckless playing with fire aimed at promoting the practical cooperation between the overseas-based air squadrons, and the U.S. occupation air force in South Korea and the puppet air force and at increasing the capabilities for an actual warfare with a succession of surprise strikes against strategic sites in the northern part of the Republic with the support of midair refueling planes.

In the meantime, the South Korean puppets ran wild in a war exercise of a northward invasion in an area near the Military Demarcation Line, right in front of our nose.

On 3 May, the puppet Army's tank group deployed in Kumpa-ri in Paju County fired about 20 shells at Hapori. The puppet Army's large-caliber gun units, which had held firing positions in Mago-ri of Yonchon County, Yongsan-ri of Paju County, and Yulli-ri of Chorwon County of South Korea's Kangwon Province, fired some 70 shells into the areas adjacent to the DMZ, thereby showing off a war frenzy.

On the same day, some 10 (?500)-MD armed helicopters, which had been mobilized in the air over Paju, Yonchon, and Chorwon of South Korea's Kangwon Province, instigated a war atmosphere by frantically waging an exercise of missile strikes and support for ground attacks.

The reckless war maneuvers by the U.S. imperialists and the South Korean puppets, which are becoming graver day after day, prove that the rascals are running along the path to confrontation and war, running counter the peace and easing of tension in Korea.

#### **'Surprise Strike' Waged 4 May**

*SK0605100994 Pyongyang Korean Central  
Broadcasting Network in Korean 1200 GMT 5 May 94*

[Text] According to a military source, on 4 May, the U.S. imperialists waged an aerial surprise strike exercise with the South Korean puppets, by introducing fighter-bombers, pursuit-assault planes, early warning planes, and electronic jamming planes from overseas bases into South Korea.



Prior to this provocative war exercise, EA-6 electronic jamming planes, which had been flown in from a Japanese base, created an electronic jam by flying into the areas over Yongwol and Pyongchang—the operational areas.

Timed with this, E-3 early warning planes mobilized from overseas bases ran amok in waging an exercise of launching a surprise bombing by calling air squadrons [pihaengdaedul] out, while flying in the air where an electronic jam had been created.

Converged into this extremely dangerous war were air squadrons which had come from U.S. Pacific bases and fighter-bombers, assault planes, observation planes, and (?reconnaissance) planes belonging to the U.S. occupation air force in South Korea and to the puppet air force.

In the meantime, the puppet Army's 105-mm artillery group, which held firing positions in Mago-ri, Yonchon County; and Naedae-ri, Chorwon County and (Tajon-ni), Inje County, Kangwon Province of South Korea, displayed that day a war frenzy by firing several tens of rounds at the areas near the DMZ of the Military Demarcation Line.

#### **Need for New U.S. 'Peace Arrangement' Viewed**

*SK0605052094 Pyongyang KCNA in English 0504 GMT 6 May 94*

[“World Is Watching U.S. Attitude”—KCNA headline]

[Text] Pyongyang, May 6 (KCNA)—The DPRK Government in a Foreign Ministry statement April 28 proposed to the United States that the two countries hold negotiations for the establishment of a new peace arrangement which will help to check arms buildup and recurrence of war, stabilize the situation and reliably guarantee a durable peace and security on the Korean peninsula on a practical basis.

How the United States approaches the DPRK's new peace overture for negotiations will be a touchstone proving whether it wants peace or war, declares NODONG SINMUN today.

The news analyst says:

It is imperative to replace the armistice agreement with a peace agreement and set up a new peace arrangement to take the place of the present armistice mechanism, if the hostile relations are to be removed and rapprochement is to be achieved between the DPRK and the USA and genuine peace and security are to be guaranteed on the Korean peninsula.

The continued acute military confrontation on the Korean peninsula is attributable to the illegalities and the policy of antagonizing and stifling the DPRK on the part of the United States which has wantonly violated the Korean armistice agreement and paralyzed the armistice mechanism.

If the present state of truce is to be maintained on the Korean peninsula, the signatories to the armistice agreement must fulfill their obligations pursuant to the agreement. Over the period of a little more than four decades, however, the United States has unilaterally and systematically broken and violated the provisions of the armistice agreement. Their violations of it have assumed more grave dimensions these days.

As a matter of fact, the United States disowns the effectiveness of the agreement and even ignores its existence.

The illegalities of the United States have reduced the armistice agreement to a mere sheet of paper and deprived it of the role as an institutional mechanism to prevent the aggravation of tensions and the danger of war.

Due to the maneuvers of the United States, the armistice supervisory tool is paralyzed and the armistice mechanism is incapable of performing its function.

With a view to concealing its violations of the armistice agreement, the United States unilaterally forced the inspection teams of the Neutral Nations Supervisory Commission to withdraw from the U.N. command-controlled area and unilaterally designated a South Korean Army “general” as the chief delegate of the U.N. Command to the Military Armistice Commission, for which he is totally unqualified because of legal irrelevance, in gross violation of the Korean armistice agreement.

The unreasonable behavior of the United States has reduced the Military Armistice Commission to a de facto nominal and inoperative body in which its legitimate component parties have ceased to exist.

We can no longer entertain any expectation of the armistice agreement and the armistice mechanism, which remain only in name and are used for covering up the U.S. policy of strangling the DPRK.

The nuclear issue and other acute problems cannot be settled on the Korean peninsula as long as there exists the present armistice arrangement under which the DPRK and the USA remain hostile parties.

Facts show that only when the armistice agreement is replaced with a peace agreement and a new peace arrangement is set up to take the place of the present armistice mechanism will it be possible to remove the hostile relations and achieve reconciliation between the DPRK and the USA and preserve a genuine peace and security on the Korean peninsula.

The United States must clearly see the essence of the situation and the reality and accede to peace negotiations with the DPRK.



## Spokesman Berates ROK Stance on Peace Talks

### KCNA Reports Statement

SK0605111594 *Pyongyang KCNA in English 1105 GMT 6 May 94*

[“DPRK Foreign Ministry Spokesman on S. Korean Authorities’ Slander on DPRK’s Peace Overture—KCNA headline]

[Text] Pyongyang, May 6 (KCNA)—A spokesman of the Foreign Ministry of the DPRK answered a question of KCNA today concerning the abuses heaped by the South Korean authorities on the DPRK’s proposal for peace negotiations contained in the Foreign Ministry statement dated April 28.

He said:

The statement of the DPRK Foreign Ministry proposing negotiations to the U.S. side for the establishment of a new peace arrangement that will replace the present armistice arrangement in Korea has evoked great repercussions upon the world public. The South Korean authorities, however, are trying hard to decry it.

The “unification minister” and the “foreign minister” of South Korea made a fuss, claiming that the establishment of a peace arrangement is a matter that must be discussed between the North and the South of Korea, not between the DPRK and the USA and that the proposal is a “negotiation card” to get concessions at the third round of DPRK-USA talks.

This is an obtrusive and imprudent act of those oblivious of their lot.

The DPRK Government proposed to the United States that the two countries hold negotiations for the establishment of a new peace arrangement, taking into account the legal and practical conditions that the United States is a signatory to the Armistice Agreement and it is in actuality holding the military prerogative in South Korea.

The South Korean authorities categorically opposed the signing of the Korean Armistice Agreement at the time of its conclusion and now have no complete military prerogative in South Korea, so they have no authority and qualification for participating in peace negotiations.

The replacement of the Korean Armistice Agreement with a peace agreement and the establishment of a new peace arrangement that will replace the present armistice mechanism are urgent problems raised by the present situation on the Korean peninsula.

Such complicate problems as the “nuclear issue” have cropped up on the Korean peninsula because the United States shipped nuclear and other mass-destruction weapons into South Korea in violation of the Armistice Agreement. And the tensions are now mounting because

the United States is accelerating arms buildup and increasing military threat to the DPRK.

This shows that the Korean Armistice Agreement and armistice mechanism are incapable of preventing arms buildup and recurrence of war and preserving peace on the Korean peninsula.

To terminate the state of truce that causes only political distrust and military confrontation and establish a new peace arrangement at an early date is the only way of easily solving the pending issues between the DPRK and the USA including the “nuclear issue.” There has been adopted a North-South agreement with nonaggression as its keynote and organised a North-South joint military committee pursuant to it. So the establishment of a new peace arrangement would facilitate their effectuation and, further, the problem of preserving a durable peace on the Korean peninsula would be resolved completely.

In mid-April the South Korean authorities revoked the exchange of presidential envoys between the North and South as a precondition for the DPRK-USA talks, saying that if the DPRK-USA talks were promoted, “replacement of the Armistice Agreement with a peace agreement” would be put on the agenda and then the North-South dialogue will go well. But now they blindly oppose our practical proposal for replacing the Armistice Agreement with a peace agreement. This makes it plain that they are weathercocks who have no clear principle concerning peace and reunification of the Korean peninsula and blow hot and cold.

What they are advised to do is to refrain from following a big power and imprudently poking their nose into other’s affairs.

### Radio Carries Report

SK0605124494 *Pyongyang Korean Central Broadcasting Network in Korean 1105 GMT 6 May 94*

[Text] A spokesman of the DPRK Foreign Ministry on 6 May answered a KCNA reporter’s question about the abuses heaped by the South Korean authorities on our proposal for peace negotiations contained in the Foreign Ministry statement dated 28 April. He said as follows:

The statement of our Foreign Ministry proposing negotiations to the U.S. side for the establishment of a new peace assurance system [pyonghwa pojang chegye] that will replace the present Korean armistice system has evoked great repercussions upon the world public. The South Korean authorities, however, are trying hard to decry [hwebang] it.

The unification and foreign ministers of South Korea made a fuss, claiming that the establishment of a peace assurance system is a matter that must be discussed between the North and the South, not between us and the United States, and that the proposal is a negotiation card to get concessions at the third round of DPRK-U.S. talks.



Such remarks by the South Korean authorities are an obtrusive and imprudent act of those oblivious of their lot.

The republic's government proposed this time to the United States that the two countries hold negotiations for the establishment of a new peace assurance system, taking into account the legal and practical conditions that the United States is a signatory to the armistice agreement and it is in actuality holding the military prerogative in South Korea.

The South Korean authorities categorically opposed the signing of the Korean armistice agreement at the time of its conclusion and now have no complete military prerogative in South Korea, so they have no authority or qualification for participating in peace negotiations.

The replacement of the Korean armistice agreement with a peace agreement and the establishment of a new peace assurance system that will replace the present armistice mechanism are urgent problems raised by the present situation on the Korean peninsula.

Such complicated problems as the nuclear issue have cropped up on the Korean peninsula because the United States shipped nuclear and other weapons of mass-destruction into South Korea in violation of the armistice agreement and the tensions are now mounting because the United States is accelerating an arms buildup and increasing the military threat to us.

This shows that the present Korean armistice agreement and armistice mechanism are incapable of preventing arms buildup and recurrence of war and preserving peace on the Korean peninsula.

To terminate the state of truce that causes only political distrust and military confrontation and establish a new peace assurance system at an early date is the only way of easily solving the pending issues between the DPRK and the United States including the nuclear issue. A North-South agreement with nonaggression as its keynote has been adopted and a North-South joint military committee pursuant to it has been organized. So the establishment of a new peace assurance system would facilitate their effectuation and, further, the problem of preserving a durable peace on the Korean peninsula would be resolved completely.

In mid-April the South Korean authorities revoked the exchange of presidential envoys between the North and the South as a precondition for the DPRK-U.S. talks, saying that if the DPRK-U.S. talks were promoted, replacement of the armistice agreement with a peace agreement would be put on the agenda and then the North-South dialogue will go well. But now they blindly oppose our practical proposal for replacing the armistice agreement with a peace agreement. This makes it plain that the South Korean authorities are fickle [pyondok suroun] and have no clear principle concerning the peace and reunification of the Korean peninsula and blow hot and cold.

What they are advised to do is to refrain from following a big power and imprudently poking their nose into others affairs.

### **SKNDF White Paper on ROK Reactor Development**

*SK0605043894 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 4 May 94*

[White paper on the ROK's development of fast-breeder reactor, issued by the Central Committee of the South Korea National Democratic Front on 2 May]

[Text] According to the Voice of National Salvation from Seoul, the South Korean National Democratic Front [SKNDF] Central Committee issued the following white paper on 2 May, exposing the South Korean puppet clique's attempt to accelerate its nuclear armament by developing fast-breeder reactors:

### **The White Paper on the ROK's Development of Fast-Breeder Reactors**

#### **1. The Blitz [chongyokchok] Development of Fast-Breeder Reactors**

According to the June 1992 final decision of the Atomic Energy Commission [AEC] on its plan for atomic energy research and development, the ROK is supposed to complete the development of positive reactors [silchun-gno], which is the third stage of fast-breeder reactor development, 19 years ahead of Japan, which has now started to operate prototype reactors [wonhyongno].

In order to realize this plan, the ROK is using the same blitz mosaic method of synthesizing various countries' technologies that is used to develop nuclear weapons.

The ambition of ROK rulers to develop fast-breeder reactors began in the eighties. According to a report on the proliferation of mass-killing weapons which is a secret document of the Russian bureau of foreign intelligence, the ROK authorities agreed early in 1984 with a European country that possessed the most advanced technology in developing fast-breeder reactors, to introduce its fast-breeder reactors and thus began to introduce core technologies, designs, and experimental reactor facilities [silhomno solbidul]. The Institute of Atomic Energy Research thus secretly developed an experimental reactor with a diameter of 1 meter at the end of the eighties, and has used it in the various technological experiments required in the development of prototype and positive reactors.

In the nineties, the Chongwadae ruling group began to develop the prototype reactor in cooperation with Japan. On 25 May 1990, the government authorities and Japan signed an agreement on cooperation in the atomic energy field, and agreed to promote technological exchanges and joint research on atomic energy. In an ROK-Japan conference on atomic energy held on 9 November 1990,



they conspired [moui] to jointly promote the development of next-generation reactors.

In an exclusive secret meeting between Kim Yong-sam and Hosokawa in Kyongju on 6 November 1993, they even secretly signed an agreement on ROK-Japan joint promotion to develop nuclear weapons in return for calling off Japan's repayment for its past crimes.

When they began to suddenly [chongyokchoguro] introduce technology and experience for the development of prototype reactors from Japan, government authorities decided to invest about 2 trillion won in atomic energy research and development, such as the development of a fast-breeder reactor. They began to push ahead with the development of a prototype reactor in 1992, mobilizing all experts concerned with [words indistinct].

Regarding this, NIHON KEIZAI SHIMBUN dated 29 July 1992 reported: the ROK has already started to develop fast-breeder reactors, hastening its mid- and long-term plans.

According to the ROK experts on nuclear development, the design of a prototype fast-breeder reactor was turned over to Korea Heavy Industries by the Institute of Atomic Energy Research, and they have not only started to produce facilities of the prototype reactor but also completed a basic study on positive reactors, drafted a conceptional design, and set aside budgeting for it, with an investment of 118.3 billion won.

Today, the Kim Yong-sam puppet clique is busy seeking justification from the international community regarding the lawfulness of the fast-breeder reactor development.

In October 1993, the Kim Yong-sam group held an international symposium on next-generation reactors in Seoul and even had some quarters of the International Atomic Energy Agency [IAEA] promise to cooperate in the ROK plan to develop next-generation reactors.

At that time, in a public notice issued in a news conference in Seoul, Greenpeace exposed and denounced that, far from discussing scientific and technological problems, this symposium was a meeting to encourage construction for producing plutonium in the ROK, as well as an insidious meeting that would bring the danger of nuclear war closer to East Asia.

## 2. The Ulterior Motive Behind Development of the Fast-Breeder Reactor

Throughout the world, the fast-breeder reactor is acknowledged as lacking economic advantages and safety. For this reason, the countries developing it have either suspended its operation or closed it down—the United States in 1977, France seven years after its initiation of operations, and Britain in 1994. Germany gave up operating a test reactor which it had built.

(Frank Hanabby), a British nuclear physicist, who visited Japan recently, likened the Monju, the Japanese

reactor for producing high-purity plutonium which was put into operation sometime ago, to a nuclear explosion waiting to happen. Meanwhile, South Korea and Japan are desperately engaged in the development of a fast-breeder reactor. This is directly connected with their ambition to develop nuclear weapons. We are making this statement based on the following grounds: First, if the South Korean authorities develop the fast-breeder reactor, they can multiply and produce a large quantity of plutonium for the production of nuclear bombs. The December 1991 issue of MAL magazine stated that since the fast-breeder reactor is a device justifying the massive stockpile and production of plutonium, which is the raw material for nuclear weapons, the country operating it should have little difficulty in producing nuclear weapons. The South Korean ruling group is attempting to secure a large quantity of plutonium through the development of the fast-breeder reactor.

Second, the development of the fast-breeder reactor provides a pretext justifying the purchase of plutonium from a foreign country. Because the fast-breeder reactor is a reactor which feeds on plutonium, if the fast-breeder reactor is developed, South Korea can massively and legitimately import plutonium and the dioxide of highly enriched uranium, which the authorities have secretly been importing from Britain. (Kim Chi-o), atomic energy policy officer of the Ministry of Science and Technology, has stated that plutonium, the raw nuclear material that is to be used in the fast-breeder reactor, will be imported from a foreign country.

Third, the fast-breeder reactor must be equipped with reprocessing facilities. WOLGAN CHOSON, April 1990 issue, noted that the introduction of the fast-breeder reactor is a prerequisite to the construction of a reprocessing plant, adding that since the introduction of the fast-breeder reactor is almost certain, the construction of a reprocessing plant is a question of time.

Chong Chae-mun, chairman of the National Assembly Foreign and Unification Affairs Committee, openly calling for a review of the North-South agreements of 1991, asserting, "We cannot continue depending on another country for nuclear fuel." This clearly illustrates how frenziedly the Kim Yong-sam ring is attempting to provide reprocessing facilities with the development of the fast-breeder reactor.

Fourth, the development of the fast-breeder reactor is in itself a process to develop a nuclear bomb. Technologically, the theory of designing the fast-breeder reactor and that of designing the nuclear bomb are the same. Therefore, the technology for the development of the fast-breeder reactor means in many respects the transfer of the technology for the development of a nuclear bomb. Furthermore, nuclear physicists say that the high-purity plutonium obtained from the fast-breeder reactor can be used for the production of a nuclear bomb with the appropriate critical mass [imgye chillyang].



The stern reality clearly proves that the traitorous ruling group in the South scrapped the joint declaration on denuclearization on the Korean peninsula agreed upon between the North and the South and that it is persistently engaged in the development of nuclear weapons. Their attempt to extract plutonium by developing the fast-breeder reactor, the monster called a time-bomb, which is prone to horrible accidents, and to make criminal nuclear weapons that will destroy the entire nation, is an unpardonable antinational crime.

The persons in authority should not only abolish the heavy-water reactor and the multipurpose research reactor but suspend the development of the fast-breeder reactor immediately. The international reactionary forces, including Japan, should stop acts of conspiring with the Kim Yong-sam ring in its development of the fast-breeder reactor directly connected with the development of nuclear bombs.

Our SKNDF and patriotic masses will certainly check and frustrate the Kim Yong-sam ring's development of the fast-breeder reactor for nuclear armament and its maneuvers to secure a large quantity of plutonium. We express the hope that the world's fair opinion will wage vigorous activities to trace to the end and stop the South Korean rulers' maneuvers to develop the fast-breeder reactor and nuclear weapons.

#### **South Said To Twist Facts on Nuclear Possession**

*SK0605035494 Pyongyang Korean Central  
Broadcasting Network in Korean 1225 GMT 5 May 94*

[Commentary by Kim Ho-san: "Smear Propaganda That Reverses Black and White"]

[Text] The South Korean puppets' smear propaganda against us is reaching extremes. According to a broadcast report from Seoul on 4 May, Kim Yong-sam the traitor threw another party at Nokchiwon garden in Chongwadae and talked nonsense about us.

Sitting with fellows from the Advisory Council for Democratic and Peaceful Unification, he said that our nuclear development is targeted at South Korea and that the North is even violating the armistice agreement. This is like a thief turning on the master with a club.

He said that after announcing the withdrawal from the Nuclear Nonproliferation Treaty last year, we have accelerated nuclear development during the past year while insisting on the frame of confrontation. He even repeated that nuclear development of the North should be blocked in any event. Traitor Kim Yong-sam said some useless things to threaten someone by mentioning words, such as "destruction."

Such a reverse propaganda of the national traitor, war maniac, and fascist devilish homicide Kim Yong-sam is rude remarks that can only be made by South Korean puppets who are experienced in reversing black and

white, and a cunning trick to divert South Korean people's attention elsewhere from their internal crisis.

First of all, regarding our so-called nuclear development raved by traitor Kim Yong-sam, those remarks resulted from the fear that their nuclear development maneuvers might be discovered by the world. In fact, the ones who are developing nuclear weapons are not us but the South Korean puppets themselves.

South Korea's heavy water reactor in Wolsong and the multipurpose research reactor in Taedok Complex are military nuclear reactors built under the objective to develop nuclear weapons. It is not a secret that plutonium and highly enriched uranium are produced here. The whole world knows that the heavy-water reactor in Wolsong alone has produced enough spent fuel containing plutonium to produce more than 370 nuclear bombs.

As exposed by the Central Committee of the South Korean National Democratic Front, the South Korean puppets are accelerating the development of positive reactors [silchungno], which is the third phase of the development of a fast breeder reactor.

Even while frantically accelerating nuclear development, they said we were developing nuclear weapons to use against them. This is none other than a scheme to accelerate their efforts to develop and arm themselves with nuclear weapons by using us as a pretext.

Traitor Kim Yong-sam also said that we were violating the armistice agreement. This is also ridiculous.

The Korean armistice agreement bans the introduction of operational materials into Korea. Nevertheless, the United States, a party to the armistice agreement, has continuously brought numerous operational materials and military personnel into South Korea from 1954, when the agreement was signed [as heard], up until today. Still, it had brought them secretly. However, it is now openly bringing in operational materials and military personnel in broad daylight. The Apache attack helicopters and Patriot missiles were recently deployed in this fashion. Needless to say, all of these are violations of the Korean armistice agreement.

When traitor Kim Yong-sam took issue regarding the armistice agreement, he should have taken issue with these violations first.

Regarding the establishment of a new peace-guaranteeing system on the Korean peninsula, which we proposed in the Foreign Ministry's statement, traitor Kim Yong-sam, poking his nose into this matter, is trying to do something about it. This is a very foolish act.

How can a colonial puppet who is neither a signatory to the Korean armistice agreement, nor one who has the prerogative of supreme command over the armed forces, can sit face to face with us and discuss the issue of replacing the armistice agreement with a peace agreement? This is nonsense.



Traitor Kim Yong-sam again made the meaningless remarks this time that North Korea was developing nuclear weapons and violated the armistice agreement. As I have stated, this is a scheme to divert the South Korean people's attention elsewhere because of an internal crisis.

The South Korean puppets are launching a smear campaign while saying that someone is developing nuclear weapons and violating the armistice agreement. Instead of doing so, they had better mind their own business. The smear campaign which reverses facts can never produce good results.

Only destruction awaits the Kim Yong-sam ring, which aggravates North-South relations, strains tension on the Korean peninsula, and leads the country to ruin. The Kim Yong-sam ring is walking down a path of self-destruction.

#### **ROK Fast-Breeder Reactor Development Condemned**

*SK0605105694 Pyongyang KCNA in English 1046  
GMT 6 May 94*

[“Nuclear Arms Development Must Be Promptly Stopped”—KCNA headline]

[Text] Pyongyang, May 6 (KCNA)—MINJU CHOSON today urges the South Korean rulers to immediately stop the development of a fast breeder reactor, open to the public the truth behind their secret development of nuclear weapons and apologize to the nation.

The news analyst says:

The May 2 white paper of the Central Committee of the South Korean National Democratic Front on the truth and purpose of the South Korean rulers' development of a fast breeder reactor is another stern indictment against their development of nuclear weapons.

To tell the truth, the economic advantage and stability of the fast breeder reactor are not guaranteed in the world. That is why other countries which built reactors of this type have suspended their operation or closed them.

The South Korean puppets' desperate efforts to develop a fast breeder reactor are directly linked with their ambition for nuclear arms development. Through the development of the reactor, they plan to secure large quantities of plutonium and possess reprocessing facilities.

The traitor Kim Yong-sam signed an agreement on joint nuclear development with Japan some time ago. The South Korean puppets hosted an “international symposium on the reactors of the next generation” in Seoul in October last year, where they wrested a promise from some officials of the International Atomic Energy Agency to “cooperate in the development of the next-generation reactor in South Korea.”

Facts prove that the South Korean rulers' development of nuclear weapons has reached a very dangerous stage.

It is all the more disgusting that the South Korean rulers are continuously making a fuss over “suspected nuclear arms development” of the North while promoting their own nuclear arms development in secrecy. With a view to concealing its criminal acts, the Kim Yong-sam clique is doing all evils as a shock brigade in the “campaign for pressure” on the DPRK. This reminds us of “the guilty party filing the suit first.”

So long as such fellows are left alone, the disaster of nuclear war cannot be avoided nor can the North-South relations be improved.

If the Kim Yong-sam group continues developing nuclear weapons, it will be held wholly responsible for all the consequences arising therefrom.

#### **South Said To Have Nuclear Bomb Capability**

*SK0605110494 Pyongyang KCNA in English 1054  
GMT 6 May 94*

[“Preposterous Jargon”—KCNA headline]

[Text] Pyongyang, May 6 (KCNA)—The traitor Kim Yong-sam blared on May 4 that their “patience reached the limit” with regard to “the nuclear development of the North.”

Commenting on his remarks, MINJU CHOSON today says he must stop the development of nuclear weapons in South Korea, instead of charging others.

The analyst says:

In South Korea large quantities of plutonium enough for the manufacture of hundreds of nuclear bombs have been extracted from the pressurized heavy-water reactor in Wolsong and the multi-purpose research reactor in Taedok. Nevertheless, Kim Yong-sam is now hysterically crying over “the nuclear development” by the North, revealing his true color as a traitor to the nation.

The traitor spoke ill of the peace overture made by the DPRK to the United States recently, alleging that the North “withdrew from the armistice commission” and it “is isolated.” His preposterous jargon was aimed at balking the DPRK-U.S. negotiation, having the hostile relations maintained between the DPRK and the U.S., and stifling the North with the backing of outside forces.

The analyst further says:

His remarks are, in a nutshell, a thoughtless sophism of a fellow bereft of reason.

The traitor, who is rejected by the people for his despicable policy of dependence on outside forces, North-South confrontation, irregularities and fighting within the quarters of power, made such remarks in the hope of diverting elsewhere the resentment directed at him. But, nobody takes him at his words.



### Remarks by Japanese Justice Minister Condemned

SK0605045594 *Pyongyang KCNA in English* 0450  
GMT 6 May 94

["Unpardonable Jargon of Japanese Justice Minister"—  
KCNA headline]

[Text] Pyongyang, May 6 (KCNA)—The new justice minister of the Japanese Government, Shigeto Nagano, when interviewed by MAINICHI SHIMBUN on May 3, openly let out an ugly torrent of words defending the Japanese imperialists' war of aggression in the past.

Contending that "it is wrong to say the Pacific war" started by the Japanese imperialists "was a war of aggression," he went to the extent where he claimed without hesitation that the war was "a war for the liberation of colonies" and "a just war which may be tolerated." And he driveled that a notorious massacre by the Japanese imperialists in Nanjing, China, was a hoax.

Nagano's shameless remarks are nonsensical outbursts for bringing the spectre of Japanese militarism back to life.

Peoples of many Asian countries including Korea shed blood and died tragic deaths and underwent immeasurable misfortunes and sufferings due to the war of aggression provoked by the Japanese imperialists. This is a hard fact recorded in history and still vivid in the memory of people as bitter grievances.

The Japanese authorities must apologize and compensate for the war crimes committed by the Japanese imperialists against Korean and Asian peoples in the past. It is a downright challenge never to be condoned to defend and justify the war of aggression by the Japanese imperialists, far from making apology and compensation.

It is by no means accidental that Nagano's grave remarks came at a time when the Japanese reactionaries, in conspiracy with the U.S. imperialists and the South Korean puppets, are driving the situation on the Korean peninsula to the brink of war, while the anti-DPRK campaign to stifle it is getting more open over its fictitious "nuclear problem".

In justifying the past war crimes of the Japanese imperialists the Japanese reactionaries are foolishly attempting to justify their moves to stage a comeback to Korea and Asia for the realization of the old dream of "the greater east Asia coprosperity sphere". We cannot overlook the open remarks of a high-placed official holding the post of justice minister intended to make a clean sheet of and even justify the cursed history of aggression of the Japanese imperialists.

The Japanese authorities must show a responsible attitude and a position of apology for this.

### Kim Il-song Appoints New Construction Minister

SK0505222494 *Pyongyang Korean Central*  
*Broadcasting Network in Korean* 2100 GMT 5 May 94

[Text] A decree of the DPRK Central People's Committee [CPC] on dismissing and appointing the minister of the DPRK Administration Council:

The DPRK CPC decides as follows: Comrade Cho Chol-chun is dismissed from the post of the construction minister of the Administration Council and Comrade Cho Yun-hui is appointed as the construction minister of the Administration Council.

[Signed] DPRK President Kim Il-song  
[Dated] 5 May 1994, Pyongyang

### Kim Chong-il Meets Chongnyon Vice Chairman

SK0605082894 *Pyongyang Korean Central*  
*Broadcasting Network in Korean* 0800 GMT 6 May 94

[Text] Comrade Kim Chong-il received Yi Chin-kyu, first vice chairman of the Central Standing Committee of the General Association of Korean Residents in Japan [Chongnyon].

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the Workers Party of Korea Central Committee, today received Yi Chin-kyu, first vice chairman of the Chongnyon Central Standing Committee who is staying in the socialist fatherland. Comrade Kim Yong-sun was present.

Comrade Kim Chong-il gladly received First Vice Chairman Yi Chin-kyu and held talks in a warm atmosphere.

Comrade Kim Chong-il today arranged a luncheon for First Vice Chairman Yi Chin-kyu.

### Soldiers Building Suspension Bridge in Nungna

SK0605091094 *Pyongyang Korean Central*  
*Broadcasting Network in Korean* 1100 GMT 5 May 94

[Text] The building of the Nungna suspension bridge—another proud creation of the era of the Workers' Party—which is underway in conformity with our party's grand plan—is being pushed ahead vigorously.

To provide our people with a more wonderful and cultural living condition, the supreme commander General Kim Chong-il has himself initiated the building of the Nungna suspension bridge. He has shown a great trust by entrusting this honorable task to the soldiers of the Korean People's Army unit to which Comrade (Kang Chin-sop) belongs.

All the soldiers, boundlessly encouraged by supreme commander General Kim Chong-il's great trust and warm affection, have been registering new upsurges day in and day out in the building of the bridge.



The soldiers have already finished within a short period of time the large-scale construction, including setting up the bridge's piers and (erecting beams). They have set a goal to build several crane units on their own by highly displaying the revolutionary spirit of self-reliance and fortitude to resolve everything with one's own strength even if the higher echelons do not supply the necessities, although it would be better if the higher echelons did supply them. They have achieved a breakthrough in the construction by finally building the cranes, while actively seeking out inner reserves, putting together strength and wisdom, and successfully solving pending technical problems.

At the present moment, the soldiers are markedly increasing the speed of the construction with a high conviction of victory.

### South Korea

#### Reaction to Japanese Foreign Minister's Remark

##### Demonstration at Japanese Embassy

SK0605082094 Seoul YONHAP in English 0744 GMT  
6 May 94

[Text] Seoul, May 6 (YONHAP)—Over a hundred protesters gathered outside the Japanese Embassy Friday to demand the immediate dismissal of Justice Minister Shigeto Nagano.

"Apologize, Repent," chanted demonstrators belonging to the Association of Pacific War Victims and Families.

A letter from the group delivered to the embassy said Nagano's comments revealed the Japanese Government's two-faced view of history and constituted a threat to peace in Asia.

The just-appointed justice minister with a long career in the military enraged Japan's Asian neighbors when he said his country was not the aggressor in World War II but a party dedicated to freeing Asia from European colonialism.

He also said he didn't believe the massacre of Chinese by Japanese soldiers in "the rape of Nanjing" was true.

The comments instantly touched a nerve in South Korea, which still chafes at more than three decades of Japanese colonial rule before liberation came at the end of the Second World War.

"Retract Nagano's comments and immediately fire him," the association said in a statement, adding that Japan should suspend its attempts at remilitarization through constitutional revision and clear up all questions about its past by 1995.

"If these terms are not fulfilled, we will start with our neighbors in Southeast Asia who suffered from the Pacific War a campaign against buying Japanese products," the statement said.

The dissident-led National Alliance for Democracy and Unification in Korea issued a similar statement, demanding legal and systematic compensation for victims of the war.

"Nagano's words reflect the Japanese Government's political intention to abort its admission of war crimes and legal, systematic compensation measures," the alliance said.

#### Foreign Minister Reacts to Remarks

SK0605034894 Seoul YONHAP in English 0313 GMT  
6 May 94

[Text] Seoul, May 6 (YONHAP)—South Korean Foreign Minister Han Sung-chu urged Japan Friday to clarify itself on its justice minister's remarks and take "appropriate" action.

In a hastily arranged meeting with Japanese Ambassador to Seoul Goto Toshio, Han said it's nothing short of "throwing cold water on efforts by both countries to improve South Korea-Japan relations for an incumbent cabinet minister to make such remarks while the Japanese Government is championing political reform and contribution to the international community.

Just-named Japanese Justice Minister Shigeto Nagano said during an interview this week that his country was not an aggressor in the World War II but a liberator of Asian colonies from European imperialism.

He said the mass killing in the rape of Nanjing was "a hoax."

"Nagano's remarks greatly shocked the South Korean Government and the people," Han told the ambassador, "such distorted historical perspective is very regrettable."

Demanding action on the incident, the foreign minister emphasized that Tokyo "would have to take appropriate measures" for the comments.

Goto said he understands Han's reaction as concern shown by the South Korean Government and will report to his home government.

"But I believe the comments should not end up throwing cold water on improving bilateral relations," he said.

#### Lawmakers React to Remarks

SK0605050994 Seoul YONHAP in English 0309 GMT  
6 May 94

[Text] Seoul, May 6 (YONHAP)—Ruling and opposition lawmakers alike bashed Japanese Justice Minister Shigeto Nagano Friday and demanded an unequivocal diplomatic apology.

Nagano has justified Japan's aggression during World War II by claiming his country wanted to liberate Asian colonies from Europe.



He also dismissed the "Rape of Nanjing," in which Japanese soldiers are believed to have killed some 300,000 Chinese civilians, as "a hoax."

His comments immediately raised temperatures in South Korea, a victim of over three decades of Japanese colonial rule before liberation at the end of World War II.

Seoul and Tokyo had reached a political understanding last summer to close the book on their unhappy history.

In addition to their own ire at Nagano's remarks, lawmakers here are concerned that his comments were not a slip of the tongue but representative of the new faction advocating Japan's remilitarization.

After all, they cite Nagano's high status as justice minister and the fact that he is the first cabinet member since the war who was a member of the Japanese self-defense forces.

Ruling Democratic Liberal Party Spokesman Ha Sun-pong called Nagano's words "bombastic, against the world current."

"We cannot but express serious regrets that a cabinet member of the Japanese Government that champions political reform has such a skewed perspective of history," he said in a party commentary.

"There has to be a clear explanation from the person himself, naturally, and from the Japanese Government."

Rep. Kwon Ik-hyon, former chairman and now adviser to the Korea-Japan Parliamentarian Union, said he cannot understand "such betrayal of common sense."

"I hope it was nothing more than a spur-of-the-moment thing," he said.

Rep. No Chae-pong, a member of the National Assembly Foreign Affairs-Unification Committee, wondered why Nagano made such comments when Seoul and Tokyo were finally working on building a future relationship.

Deputy Spokesman Son Hak-kyu was worried about a revival of Japanese militarism. "But South Korea-Japan relations should not be influenced by this incident, and we send our full support to the majority of the Japanese people who want peace through resolution of the past," he said.

Opposition Democratic Party spokesman Pak Chi-won wanted to know if the Japanese Government has indeed changed its perspective on the war.

"Our government must demand a clear-cut explanation and prevent any repetition of this kind of incident," he said in a commentary.

Rep. Kim Won-ki, saying it was not an accidental outburst, insisted Nagano's comments reflect what Japan has believed all along.

"The whole world is turning into regional blocs. Japan, too, hasn't given up its hopes for hegemony," he said. "Nagano's talk could turn into a real threat for us if we don't build up our political role."

"It's nothing short of historical distortion proving the war of colonialism has not yet ended," Rep. Yim Chae-Chong said.

Rep. Son Se-il blasted the new Japanese Government, accusing it of being more backward than the Liberal Democratic Party on historical issues.

"Our government is even considering military cooperation with Japan, but we have to review South Korea-Japan relations from the basics," he said.

### **Government Urges 'Proper Action'**

*SK0605113694 Seoul YONHAP in English 1058 GMT  
6 May 94*

[Text] Seoul, May 6 (YONHAP)—The South Korean Government said on Friday Japan should take a proper action in connection with Justice Minister Shigeto Nagano's recent remarks on Japan's role during World War II regardless of his retraction of the remarks Friday.

Nagano was reported to have apologized over and retracted his controversial remarks, saying, "My recent remarks about the past history were not appropriate ... I am retracting the statement in its entirety."

The Japanese minister earlier said Japan fought during World War II to "liberate Asian colonies from Europe" and the massacre said to have been committed by the Japanese Army in Nanjing, China was a "hoax."

A Seoul Government official said in a comment that "we can hardly regard Nagano's retraction as having completely rectified the distorted view of past history on the part of an incumbent Japanese cabinet member."

"We expect the Japanese Government to make an official clarification and take a proper action as Foreign Minister Han Sung-chu asked Tokyo earlier in the day," the official said.

Press reports from Tokyo indicated that in a press conference in Tokyo Nagano regretted it that his remarks set off public uproars in South Korea, China and some other relevant countries.

Stating he was feeling responsible for his remarks, Nagano said that he would leave the issue of whether he would resign as justice minister to the judgement of Prime Minister Tsutomu Hata.

### **Japanese Comment on Remarks**

*SK0605034194 Seoul YONHAP in English 0232 GMT  
6 May 94*

[By O Chun-tong]



[Text] Tokyo, May 6 (YONHAP)—Japanese Justice Minister Shigeto Nagano's controversial remarks on the Pacific war are expected to stir up a political debate in the Diet (parliament).

Social Democratic Party Secretary-General Wataru Kubo said in an interview with the MAINICHI SHIMBUN Wednesday evening that the justice minister's remarks would prompt the Diet to call Prime Minister Tsutomu Hata to account and question Nagano's fitness to serve in the cabinet, suggesting that his party would make an issue of the comments when the House of Representatives (the lower house of the Diet) opens.

Nagano has said the war was intended to liberate the colonies and create a greater East Asian co-prosperity sphere. He also called the Nanjing massacre of Chinese civilians and prisoners of war a hoax.

"We have to attach importance to his having said that it is wrong to call the Pacific war a war of aggression," Kubo said.

Pointing to former Prime Minister Morihiro Hosokawa's remarks that the Pacific war was wrong and Japan was the aggressor, he noted that Nagano's comments indicate the new cabinet's policy has changed from that of its predecessor.

All Japanese television networks, including NHK, reported that the justice minister's remarks were causing ripples in South Korea, China, Russia, Taiwan, Hong Kong and Australia on their news programs Thursday.

In particular, NHK reported that Chinese President Jiang Zemin had expressed regret over Nagano's comments in a roundabout way on Thursday when he met Bunpei Hara, speaker of the Diet's Upper House.

Meanwhile, the Japanese Government and the ruling coalition, concerned about the unexpectedly strong reactions from Korea, China and other countries, will take action to clear up the fallout from the controversial remarks to preserve friendly relations with these nations.

The steps will include having Nagano accept political responsibility for the remarks and issuing a statement that they were his personal opinion and not related to the Hata cabinet's policy in any way.

A government source said Friday the steps would be taken as soon as Prime Minister Hata and Foreign Minister Koji Kakizawa return from tours of Europe and the Middle East, noting the ruling minority coalition is in a difficult position as the majority opposition, including the Social Democratic Party, is moving to make a political issue of the remarks.

The Hata government is worried that Nagano's remarks will harm relations with South Korea, China and other countries as they brought up memories of past suffering, he added.

**Seoul, Japan Agree on 'Information Superhighway'**  
*SK0605084494 Seoul YONHAP in English 0659 GMT*  
6 May 94

[Text] Seoul, May 6 (YONHAP)—South Korean Communications Minister Yun Tong-yun and his Japanese counterpart Hikasa Katsuyuki agreed Friday to establish a policy coordination committee to help construct an "Information Superhighway" linking the two countries, the Communications Ministry said.

The two ministers also agreed to hold seminars on building an information superhighway and to exchange ministry officials to boost bilateral cooperation on the project.

The agreements were reached during a meeting of the two ministers, the first of its kind, which South Korean President Kim Yong-sam and former Japanese Prime Minister Morihiro Hosokawa had pledged to hold during a summit meeting last March.

In a joint statement after the meeting, the two ministers stressed that the information and communications industry will supply the core technology which will decide national competitiveness in the 21st century and that building information infrastructure through cooperation between Seoul and Tokyo will contribute to the development of the world economy, culture and living standards.

The ministers also said they had agreed to discuss further the possibility of allowing businesses from one country to participate in information infrastructure projects in the other, the development of communications satellites and the use of frequency resources.

According to officials of the Communications Ministry who attended the meeting, the Korean side outlined Seoul's information superhighway projects including organizing and financing plans.

The Japanese also explained plans to organize and finance such projects, the officials said. They introduced a model project in which the information superhighway network will be installed in the western Kansai region ahead of other regions.

During the meeting, the Japanese proposed the establishment of the Asia Information Infrastructure (AII) to compete with the Global Information Infrastructure (GII) planned by the United States, the officials said. The Seoul side opposed the idea, however, citing the need to move gradually because the GIJ project remains in the planning stage and the AII project requires cooperation from China and Southeast Asian countries.

The proposed policy coordination committee on the information superhighway consists of bureau-director-level officials from the two ministries who will co-chair committee meetings, officials from Korea Telecom, Korea Electronics and Telecommunications Research Institute, Nippon Telegraph and Telephone,



several other communications technology institutes and academics from both countries, according to the ministry officials.

Katsuyuki, who arrived here Thursday at the invitation of South Korean Communications Minister Yun, is scheduled to fly back to Tokyo Saturday afternoon after winding up his three-day visit, the officials said.

#### **Trade Approved by Unification Board Reported**

*SK0605085094 Seoul YONHAP in English 0831 GMT 6 May 94*

[Text] Seoul, May 6 (YONHAP)—Forty-four deals between South and North Korea worth 16 million U.S. dollars were approved by the National Unification Board in April [NUB], NUB said in a report Friday.

Comparable figures in the previous month were 72 deals worth 21.55 million dollars.

Of all approvals, 37 were for buying North Korean products worth 13.73 million dollars, 30 percent off from the 19.75 million dollars (59 cases) in March.

The remaining seven were for shipment of Southern products worth 2.31 million dollars, up 29 percent from the previous month. The sharp gain was attributed to an increase in the shipment of raw materials under processing-on-commission contracts.

#### **PRC Daily: Shift in Seoul Military Policy**

*SK0605014594 Seoul YONHAP in English 0127 GMT 6 May 94*

[Text] Beijing, May 6 (YONHAP)—South Korea is shifting its military policy from defense against a possible attack by North Korea to diverse efforts to enhance cooperation with such neighbors as China, Japan and Russia and participation in United Nations Peace-keeping Operations, the Chinese People's Liberation Army (PLA) daily reported Wednesday.

The shift was prompted by changing international politics and the volatile military situation surrounding the Korean peninsula, said the PLA organ. It predicted that Seoul would achieve military self-reliance by focusing on developing state-of-the-art weapons, specializing and systematizing its defense industry and training elite troops.

Such efforts will be pursued in line with Seoul's policy of "all-direction" military and diplomatic cooperation, said the PLA daily.

It added that despite this policy shift, military cooperation between Seoul and Washington will remain the core of South Korea's defense relations with other countries.

The policy shift, drawn up by the South Korean Defense Ministry, has already been reported to President Kim Yong-sam and will likely be approved by President Kim in the near future, said the PLA organ.

#### **PRC Asks 50,000-Dollar Fine for Captured Boat**

*SK0605040194 Seoul YONHAP in English 0250 GMT 6 May 94*

[Text] Pusan, South Korea, May 6 (YONHAP)—China has officially demanded that a South Korean ship pay a 50,000-dollar fine for violating Chinese territorial waters, Foreign Ministry officials here said Friday.

The Jiangxi Provincial people's government officially notified the South Korean Embassy in China that it is detaining a Korean ship, "the 2d Songgwang-ho," and that it has decided to fine the vessel 50,000 U.S. dollars for allegedly fishing in Chinese waters.

Of the 50,000 dollars, the fine for illegal fishing is 30,000 dollars and that for violating China's territorial waters is 20,000 dollars.

The fine is about 20 times higher than that levied by South Korea on ships violating its territorial waters and so runs counter to the principle of equity, according to ministry officials.

Besides, Sin Hyong-pok, captain of the Songgwang-ho, and the other 10 crew members claim they did not violate Chinese waters on purpose but lost control of the ship due to engine trouble.

Ministry officials, worried that the problem might develop into a diplomatic tiff, said, "we will make efforts to persuade China to lower the fine as well as return the crew as soon as possible."

Chinese patrol ships captured the "Songgwang-ho" in the East China Sea 175 miles southwest of Cheju Island's Mosulpo port last Friday at 11 AM after seizing another fishing vessel, "the Taehung-ho," and its 11 crew.

Both vessels were adrift after experiencing engine trouble, according to the crew.

Meanwhile, China has not sent an official notification on the capture of the Taehung-ho, the Foreign Ministry said.

#### **Government Welcomes Israeli-PLO Agreement**

*SK0605013394 Seoul YONHAP in English 0122 GMT 6 May 94*

[Text] Seoul, May 6 (YONHAP)—The South Korean Government, welcoming the agreement on self-rule between Israel and the Palestine Liberation Organization (PLO), expressed hope Friday the accord would be fully implemented.

"The Government of the Republic of Korea pays high tribute to Israeli and PLO leaders for their perseverance and commitment to peace which have led to the historic signing of the agreement in spite of many difficulties, and hopes that the agreement will be implemented



sincerely on the basis of mutual understanding and confidence," Foreign Ministry spokesman Chang Ki-ho said in a statement.

South Korea "expects that this signing will provide a solid basis for the comprehensive settlement of Middle East issues including the Palestinian question and contribute to building permanent peace and security in the Middle East," said the statement.

**Jan-Apr Foreign Investment Figures Provided**

*SK0605070294 Seoul YONHAP in English 0647 GMT  
6 May 94*

[Text] Seoul, May 6 (YONHAP)—Foreign investment in Korea totaled 192 cases worth 519 million U.S. dollars in January-April, increasing 39.1 percent and 35.9 percent, respectively, from 138 cases worth 382 million dollars in the same period last year, the Finance Ministry said Friday.

This year's active foreign investment can be attributed to increased facility investment following the country's economic recovery and easing of various rules and other moves to attract foreign investment, the ministry officials said.

As a result, new foreign investment surged 61 percent in case and 224.5 percent in value.

In manufacturing, investment stopped at 78 cases worth 157 million dollars during the first four months, up 30 percent from a year earlier but off 41.2 percent in value.

Investment in non-manufacturing industries, in contrast, rose 46.2 percent to 114 cases and 214.8 percent to 362 million dollars.

Investment from the United States and Japan decreased 13.5 percent and 20.6 percent, respectively, in value, while investment from the European union soared 178.7 percent. Investment from Europe centered on the high-tech auto parts industry.

**Yen Rise Boosts Heavy, Chemical Industry Export**

*SK0605034994 Seoul YONHAP in English 0243 GMT  
6 May 94*

[Text] Seoul, May 6 (YONHAP)—The continued strength of the Japanese yen is helping boost exports by the Korean heavy and chemical industries, sources said Friday.

In the semiconductor area, Samsung Electronics Co., Goldstar Electronics Co. and Hyundai Electronics Co. are engaged in full operation to meet rising demand for the third quarter.

As for home electronic appliances, the companies are moving to meet strong demand from Southeast Asia and are busy increasing their competitiveness against Japanese goods.

A Goldstar official said, "in the first quarter exports rose 25 percent from the same period last year and sales in Indonesia, the Philippines and Thailand jumped more than 100 percent. Exports are their most active since 1988."

Production of such electronic parts as cathode-ray tubes and refrigerator compressors is insufficient to satisfy surging demand from abroad and Goldstar has expanded its video cassette recorder production lines.

Korean automakers plan to raise prices in the United States, Europe and Latin America because their Japanese rivals will inevitably have to hike prices due to the yen's strength.

The shipbuilding industry recovered vigor in April and the petrochemical industry is in contact with Southeast Asian buyers who are snubbing Japanese products due to rising prices.

But the machinery industry here must import some important parts from Japan, causing it to suffer from the strong yen, the Korea Association of Machinery Industry said.

**Jan-Apr Overseas Construction Orders Reported**

*SK0605092494 Seoul YONHAP in English 0850 GMT  
6 May 94*

[Text] Seoul, May 6 (YONHAP)—Overseas orders placed with South Korean construction companies are on the increase, the Construction Ministry said Friday.

Orders from abroad reached 1,520,989,000 U.S. dollars in the first four months of this year, up 70 percent from the same period last year, according to the ministry.

Orders from East and West Asia stood at 951 million dollars, followed by deals with the Middle East at 369 million dollars and with other regions at 201 million dollars.

Bangladesh topped the list with orders worth 311 million dollars, trailed by Saudi Arabia with 292 million dollars and Singapore with 256 million dollars.

Hyundai Engineering and Construction Co., Ltd. received 453 million dollars worth of orders from overseas, followed by Ssangyong Construction Co., Ltd. with 232 million dollars and Hanjin Construction Corp. with 160 million dollars.

Hyundai landed a 250-million-dollar order to build a bridge over the Jamuna River in Bangladesh and a 113-million-dollar deal to construct Eastern General Hospital in Singapore.

Ssangyong received a 136-million-dollar order for Kandang Kerbau National Hospital in Singapore, while Sunkyoung Engineering and Construction Co. won a deal worth 145 million dollars to build Maptaphut Aromatics and Reformer Plant in Thailand.



The Construction Ministry said South Korean builders may receive 6 billion dollars worth of overseas orders this year.

Explaining the increase in overseas construction, the ministry cited continued revitalization of economies in Southeast Asia, the U.S. lifting of economic sanctions against Vietnam, progress in the Middle East peace talks and acceleration of China's opening policy.

#### **BAI To Start Special Inspections of Officials**

*SK0605012494 Seoul YONHAP in English 0104 GMT  
6 May 94*

[Text] Seoul, May 6 (YONHAP)—The Board of Audit and Inspection (BAI) will conduct special examinations of government officials who have adopted an easy-going, don't-rock-the-boat attitude, it was reported Friday.

A senior BAI official said the lackadaisical posture of many public servants has reached a critical point, reflected in a recent turbulence at farm and fishery wholesale markets created by implementation of a revised act on the distribution of farm and fishery products.

Declaring that some government officials' easy-going attitude is blocking the administration's reform efforts, the official said the BAI has decided to take a closer look at officialdom.

Critics as well as ordinary citizens are blaming the recent fiasco at farm and fishery wholesale markets on official incompetence, negligence and indifference.

The markets were nearly paralyzed earlier this week when wholesalers, protesting against the new act, refused to take part in auctions, causing prices of farm and fishery products to skyrocket at the retail level.

The new act, which went into effect last Sunday, bans middlemen in the distribution of farm and fishery products in order to protect producers and consumers.

But in enforcing the new law, the Agriculture, Forestry and Fisheries Ministry failed to anticipate the kind of disruption it would cause at the wholesale level and to provide an effective alternative to the existing system. The Ministry announced Wednesday it would put off implementation of the new act for six months.

The BAI has already conducted a series of unannounced inspections of governmental agencies, covering a two-week period last month, in which it unearthed instances of officials neglecting their duties, the official said.

The BAI plans to undertake additional examinations, he said.

Specifically, in the first phase the BAI wants to find out whether some officials are needlessly sitting on proposals or documents or have rejected papers on unjustifiable grounds, the official said.

In the second stage, the BAI plans to expand the inspections to cover officials suspected of neglecting their duties or not handling their jobs actively, the official said.

#### **Hyundai Awaits Government Lift of Sanctions**

*SK0605070394 Seoul YONHAP in English 0643 GMT  
6 May 94*

[Text] Seoul, May 6 (YONHAP)—The betting is on as to whether the government will lift financial sanctions on the Hyundai Business Group as four banks and financial institutes have offered to lend 110 billion won to Hyundai Petrochemical Co.

If it is approved, the joint loan from Boram, Korea Long-term Credit, Kwangju Bank, and KKBC International will be the largest form of financial assistance to a Hyundai affiliate since the inauguration of the Kim Yong-sam government.

Financial sources say that except for the main trading banks—Korea Exchange and Korea Development—Hyundai had experienced no trouble in trading with commercial banks.

Nevertheless, Hyundai is reportedly attaching great meaning to the 110-billion-won loan, considering it a cue on whether the government still has hard feelings against the business giant, which allegedly helped fund the presidential campaign for its founder Chong Chu-yong in the 1992 election.

If the loan goes through, the group is poised to initiate various investments it has so far shelved or scaled down.

Hyundai had initially planned to spend 4.5 trillion won this year, 3.3 trillion won on facilities and 1.2 trillion won on research and development.

It had hoped to receive assistance worth 1.54 trillion won from the Korea Development Bank for spending on seven affiliates including Hyundai Motor and Hyundai Precision and Industry.

But when its application for facility funding at the state-financed bank was not even registered, Hyundai had to put off some projects or scale down investment.

Hyundai officials say they anticipate smooth funding by banks now that Chong has announced his plans to retire from active business management.

The group had planned to invest 1.1 trillion won in its biggest company, Hyundai Motor, to expand production lines. But construction of the factory with an output capacity of 100,000 trucks and buses has been put on hold because of slow financial assistance.

Hyundai Electronics hopes to finish constructing assembly lines for 16 megabyte dynamic random access memory chips by the latter part of the year after a long delay.



Company officials say they could have fully enjoyed the semiconductor boom like other firms in the industry had the plant been built on schedule.

The group is apparently getting restless just thinking about how rival companies are forging ahead due to its delayed investments.

"Frankly, we would like to register the shares of our affiliates on the over-the-counter market and apply for a loan at the Korea Development Bank right now," one official says.

But Hyundai is refraining from any hasty action lest it irritate the government.

"For the time being, we will just wait and see," he says.

**Agriculture Ministry Marketing Program Ordered**  
*SK0605122294 Seoul YONHAP in English 1156 GMT*  
6 May 94

[Text] Seoul, May 6 (YONHAP)—President Kim Yong-sam on Friday instructed the Agriculture, Forestry and Fisheries Ministry to work out thorough and effective farm and fishery goods marketing programs at an early date.

"It is incomprehensible that the ministry has prepared little for the implementation of the new law on farm produce distribution and price stabilization and thereby allowed a room for the recent farm goods market disturbance despite the lapse of more than a year since the legislation of the law," Kim said.

The instructions were given at a meeting of senior presidential secretaries at Chongwadae.

Chongwadae Spokesman Chu Ton-sik said the president stated it was not right for the Agriculture, Forestry and Fisheries Ministry to try to make up shortcomings of a law with an implementation decree.

"If you had found shortcomings in a new law, the administration should have taken a lawful measure to rectify it in consultation, if necessary, with the ruling party," President Kim was quoted as saying.

Earlier in the week, farm goods market brokers staged a two-day strike to paralyze major agricultural markets in protest against the new law which they claimed would undermine their interests.



## Burma

### Thai Minister, Delegation Arrive in Rangoon

*BK0505145394 Rangoon Radio Burma in Burmese 1330 GMT 5 May 94*

[Text] A 23-member delegation led by Dr. Sawit Phothiwihok, minister in the Thai Prime Minister's Office, arrived at Yangon's [Rangoon] airport on a Thai International flight at 1600 this evening at the invitation of Energy Minister U Khin Maung Thein. The delegation was welcomed at the Yangon airport by Energy Minister U Khin Maung Thein, Deputy Energy Minister U Tin Tun, department heads under the Energy Ministry, and Thai Ambassador Wirasak Futrakun.

The visiting minister and delegation visited the Shwedagon Pagoda in the evening. Later, Energy Minister U Khin Maung Thein hosted a dinner at the Inya Lake Hotel in honor of the guests.

### Khin Nyunt Meets Japanese Politician Watanabe

*OW0405065394 Tokyo KYODO in English 0632 GMT 4 May 94*

[Text] Yangon [Rangoon], May 4 KYODO—A senior member of Japan's ruling coalition, Kozo Watanabe, met Lt. Gen. Khin Nyunt, leader of the ruling military Junta Wednesday [4 May] morning, diplomatic sources said.

Watanabe, a member of the House of Representatives and a key legislator in Shinseito (Japan Renewal Party), is the second Japanese parliamentarian to visit Myanmar [Burma] in the past week. Shingo Nishimura, a lower house member of the Democratic Socialist Party, a coalition partner, met the general, who is also secretary of the state law and order restoration council, on April 28.

Watanabe came to Yangon on Tuesday morning with 11 Japanese business magnates. They will fly to Mandalay, Myanmar's second largest city located 700 kilometers north of Yangon, on Wednesday afternoon. They will proceed to Kunming in the Chinese province of Yunnan on Thursday.

### \* Bridge To 'Promote' Kayin State Economy

*94se0095 Rangoon THE NEW LIGHT OF MYANMAR in English 20 Feb 94 p 4*

[Text] The State Law and Order Restoration Council is investing huge sums of money to develop the country. Strenuous efforts are being made to secure and smoothen lines of communications. Roads are being built across the whole country. Railroads are being built on the hills, on the plains and along the coasts. Bridges are being built wherever needed along these new roads. The Bayint Naung bridge being built on the Yangon-Pathein Road is nearing completion.

At the Co-ordination Meeting 1/94 of the Special Projects Implementation Board, Construction Minister U Khin Manung Yin explained arrangements made to build a bridge across Toe River near Maubin, a bridge across Myaungmya river near Myaungmya and a bridge across Thanlwin River near Pa-an which are some of the bridges to be built in different States and Divisions for regional development. Acting Railways Minister, Brig-General Maung Maung, explained arrangements to be made for construction of bridges across the River Chindwin and the River Myitthar on the Pakokku-Gangaw-Kalay railroad now under construction.

Of these six bridges, the bridge across the River Thanlwin near Pa-an is most interesting next to the bridge across the River Ayeyarwaddy near Pyay. On completion of this bridge across the River Thanlwin, direct communication between Kayin State, Mon State, Bago Division and Yangon Division will become possible and Hlaingbwe, Kyondoe, Kawkareik and Myawaddy on Thai Border will become easily accessible. Kayin State is on the east of the Union of Myanmar and shares a land border with Thailand. The 11,730-square mile Kayin State is surrounded by Mandalay Division, Shan State, Kayah State, Mon State and Bago Division. In the 410 village tracts and town quarters of the seven townships of Kayin State dwell Skaw Kayins, Po Kayins, Bwe Kayins, Paku Kayins, Shans, Pa-ohs, Bamars and Mons. Kayin State produces paddy, groundnut, tobacco, betel nut, sugar-cane, rubber, iron, lead, copper, tin, wolfram and antimony. Half of the State is covered with evergreen forests that produce precious teak and Pyinkadoe woods. There are 13 industrial plants in the State of which the Myaing Galay Cement Mill is well-known.

Despite its wealth in food grains, fruits and flowers, Kayin State has a rugged topography with rivers and chaungs forming natural obstacles and separated from the rest of the Union of Myanmar by the Thanlwin River. Communications within the State are difficult and slow resulting in lack of development and progress. There is a direct air transport service to Pa-an, the capital of Kayin State though there is no direct land route: the River Thanlwin has to be crossed in a Z Craft at Myaing Galay in Thaton District. There is a river transport service from Mawlamyaing direct to Pa-an up the Thanlwin River. Transport of cement made at the Myaing Galay Mill is being distributed across the whole country only because there is a bridge across Thami Chaung at Dooyinseik on the border between Kayin State and Mon State.

Insurgency broke out in Kayin State simultaneously with the achievement of national Independence, and there has been virtually no peace or rule of law. Inter-communication with other parts of the country was difficult, intercourse was negligible, trade was sluggish, and development was non-existent. Kayin State is adjacent to Thailand yet cross-border trading was undeveloped for lack of peace and security in the State.



Just as the State Law and Order Restoration Council is striving to secure and smoothen lines of communications it is simultaneously also striving day and night to develop border regions where national races dwell. Frontiers have now been developed and frontier towns are today viewing TV programmes the same as in Yangon. The State Law and Order Restoration Council is strenuously striving to develop Kayin State just as trying to do the same with other border States of National races. Hand in hand with all national races the State Law and Order Restoration Council is endeavouring to build up a peaceful and modern State out of the Union of Myanmar. However, peace and security is necessary for the State Law and Order Restoration Council to be able to join hands with the national races and build up the country into a peaceful and modern State.

A bridge is now to be built across the Thanlwin River for development of Kayin State and of the frontier region. It is to be a steel girder bridge on reinforced concrete pylons, 900 meters long and 8.5 meters wide with 1.5 meter foot-paths on the two sides. The water way under the bridge will be 110 meter (350 feet) wide with a head clearance of 12 meters (38 feet). The bridge with a load carrying capacity of 60 tons will cost about 650 million kyats (10 million US dollars.)

This bridge across the River Thanlwin near Pa-an will, on completion, will contribute a lot to national reunification, uniform development of the mainland and the frontier regions, secure and smooth transportation and communication, and social and economic development of regional peoples. Kayin State will also become a strategic trading post in Thai-Myanmar cross border trading. Its trade will achieve an immediate boom. Myawaddy border town in Kayin State is comparatively the shortest route between Myanmar and Thailand. Myawaddy is a mere 266 miles away from Yangon and about as far away from Pyinmana Yezin is from Yangon. A shorter route will certainly promote more active trading.

On completion of the bridge, Pa-an the capital town of Kayin State will be only 177 miles away from Yangon on a direct motor road. The pious from Yangon and all parts of the country will be able to make a one-day pilgrimage to the Reverend Thamanya Sayadaw.

## **Brunei, Malaysia & Singapore**

### **Malaysia**

#### **Mahathir Agrees To Meet Clinton at White House**

*BK0405100494 Kuala Lumpur BERNAMA in English 0915 GMT 4 May 94*

[Text] Kuala Lumpur, May 4 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed has

agreed to meet US President Bill Clinton at the White House on May 6, Foreign Minister Abdullah Ahmad Badawi said Wednesday.

The meeting, the first at official level between the two leaders will take place at 2.45 p.m. (2.45 a.m. May 7 Malaysian Time), he told reporters here.

The prime minister will be accompanied by the Malaysian Ambassador in Washington D.C. Abdul Majid Mohamed to the bilateral talks, Abdullah said, adding that Dr. Mahathir will be in the US from May 5 on a private visit.

I see this meeting as very important for US-Malaysia relations, and also due to the fact that the US is our third largest trading partner and the biggest investor in Malaysia, he said.

The embassy in Washington was making the necessary arrangements for the meeting, reported to be at the invitation of President Clinton.

However, the agenda for the meeting was not available. Abdullah said he had yet to be informed on the details [words indistinct] expected international issues like the conflict in Bosnia and economic matters would be discussed during the meeting. Malaysia has been playing an active role on the Bosnian issue.

The White House invitation to Dr. Mahathir was disclosed by its assistant secretary of state for Far East and the Pacific Affairs Winston Lord during a Worldnet Dialogue, a satellite news conference, organised in conjunction with the US-ASEAN dialogue scheduled for two days from May 9.

Lord said that Washington was keeping an open mind on the Malaysia-initiated East Asia Economic Caucus, EAEC, so long as the concept did not sideline the US.

He said Clinton sent an invitation letter to Dr. Mahathir for the meeting at the White House.

#### **Minister Hails PLO-Israeli Cairo Accord**

*BK0605075194 Kuala Lumpur Voice of Malaysia in English 0600 GMT 6 May 94*

[Text] Malaysia welcomes the recent historic PLO-Israeli peace accord signed between PLO leader Yasir 'Arafat and Israeli Prime Minister Yitzhaq Rabin in Cairo. Foreign Minister Datuk Abdullah Ahmad Badawi said the accord was heading in the right direction for the creation of the State of Palestine. He said Malaysia had pledged to assist 'Arafat's Palestine Liberation Organization to recapture the lands from the Israelis. Malaysia also congratulated President Mubarak for his special role in bringing about the peaceful settlement in Gaza and Jericho. Under the agreement, Israel will pull out most of its troops from Gaza and Jericho [words indistinct]. It is the first withdrawal from the occupied lands it captured in 1967. The current agreement is the second of the



protracted peace agreements between the PLO and Israel, both having signed the treaty on the self-rule.

#### **Diplomatic Ties Established With Albania**

*AU0505195994 Tirana TVSH Television Network in Albanian 1800 GMT 5 May 94*

[Text] Proceeding from a common good will to strengthen mutual ties of friendship and cooperation, the Government of the Republic of Albania and the Government of the Republic of Indonesia have agreed to open diplomatic relations between the two countries at an ambassadorial level.

For the Albanian side, this agreement was signed in Kuala Lumpur by Mr. Ferit Hoti, ambassador extraordinary and plenipotentiary of the Republic of Albania in Malaysia, and on the Indonesian side by Mr. Sudarmadi, ambassador extraordinary and plenipotentiary of Indonesia in Malaysia.

#### **Mahathir Expresses Concern Over Rwanda Situation**

*BK0405074794 Kuala Lumpur BERNAMA in English 0645 GMT 4 May 94*

[Excerpt] Kuala Lumpur, May 4 (OANA/BERNAMA)—Malaysia has called on the United Nations Security Council to take urgent measures to restore peace and order in Rwanda.

Prime Minister Dr. Mahathir Mohamed who made the call Wednesday said Malaysia was deeply concerned over the tragic situation in the central African state.

In a statement received here from Paris, Dr. Mahathir said that the continuing internal political strife taking place in Rwanda had led to great loss of lives and created an exodus of refugees to neighbouring countries.

Dr. Mahathir is in France on a private visit. [Passage omitted]

#### **\* Swedish Firms Vying for Boat, Weapons Contracts**

[Editorial Report] The Kuala Lumpur UTUSAN MALAYSIA in Malay on 6 April, page 7, reported that four Swedish defense companies (Celsius Tech, Bofors, Ericsson Radar Systems, and Kockums) are vying for the contract to build six patrol boats for the Royal Malaysian Navy. Although the Malaysian navy is in need of 27 patrol boats at an approximate total cost of \$1.6 billion, only six are budgeted in the Seventh Malaysia Plan (1996-2000).

Celsius Tech, trying to improve its chances of winning the bid for its new 9LV Mk 3 command and surveillance radar systems, has signed a memorandum of understanding (MOU) with Malaysia's Sapura Holdings for the assembly and maintenance of the systems. Bofors, known for its missiles, guns, and ammunition, is offering

to manufacture components and ammunition for the 40-mm and 57-mm anti-aircraft guns with a local partner. Ericsson Radar Systems has offered its Sea Giraffe 150 surveillance radars, while Kockums, a leading warship construction company, has signed an MOU with Malaysia's Hicom Corp. for designing and building the boats.

### **Cambodia**

#### **Sihanouk Says KR 'Not Interested' in Roundtable**

*BK0605024694 Phnom Penh National Radio of Cambodia Network in Cambodian 0200 GMT 6 May 94*

[Text] His Majesty Norodom Sihanouk Varaman, king of Cambodia, said at a news conference in the Royal Palace on the morning of 5 May that there are two neutral venues for a roundtable meeting, namely, the Royal Palace in Phnom Penh and his residence in North Korea.

His Majesty added that Samdech Krompreah Norodom Ranariddh and Samdech Hun Sen, respectively first and second prime ministers of the Royal Government of Cambodia [RGC], and National Assembly Chairmen Samdech Chea Sim have supported his proposal both totally and unconditionally. He further said that the RGC has agreed to let a Khmer Rouge [KR] delegation stay in the Royal Palace if the Khmer Rouge [KR] group chooses to take part in a roundtable meeting in Cambodia. The RGC has also stated that if the Khmer Rouge does not want to meet in Cambodia, a roundtable meeting can take place at the king's residence near Pyongyang in North Korea.

Commenting on the Khmer Rouge stance, His Majesty King Norodom Sihanouk said that the Khmer Rouge is now not interested in a roundtable meeting.

#### **King Asks Government To Avoid Forcible Recruitment**

*BK0505120594 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 4 May 94 p 2*

["Statement of His Majesty Norodom Sihanouk Varaman, king of the Kingdom of Cambodia" in Phnom Penh on 2 May]

[Text] I would like to request the beloved Royal Government to order the responsible and competent compatriots not to forcibly recruit our civilian compatriots who are unwilling to serve the Khmer Royal Armed Forces [KRAF].

The method that the KRAF must follow now and in the future in recruiting soldiers is to accept only the voluntary combatants.



Any KRAF unit whose members are forcibly recruited will not be able to win victory in the fight on the battlefield.

[Singed] Norodom Sihanouk

#### **Sihanouk Denies Seeking Foreign Military Aid**

*BK0605062794 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT  
6 May 94*

["Correction by His Majesty King Norodom Sihanouk Varaman"; dated 5 May—read by announcer]

[Text] The report that I have sought foreign military aid for the Khmer Royal Armed forces [KRAF] is totally untrue. This morning I only told national and international journalists in Phnom Penh that I would welcome a decision by friendly foreign powers to provide the KRAF with urgent military aid in the form of arms and training.

I also added that I would always work for the benefit of a peaceful solution to the Khmer Rouge issue.

My proposal for a roundtable to be held in the Royal Palace in Phnom Penh or in the Royal Palace at the Lake of Longevity [near Pyongyang] is still valid.

Issued in Phnom Penh on 5 May 1994

[Signed] Norodom Sihanouk

#### **Station Lashes Out at Khieu Samphan's Letter**

*BK0605085594 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT  
5 May 94*

[Station commentary: "The Khmer Rouge Group Has Used an Obsolete Pretext To Further the Destructive War Against the Nation"]

[Text] The long letter of the Khmer Rouge group to His Majesty on 3 May is clear evidence that the group does not want to heed the sacred king father's initiative calling for an on-the-spot cease-fire between the Khmer Royal Armed Forces and the Khmer Rouge. In the letter, although the Khmer Rouge strives to show that it wants the cease-fire—which constitutes a step toward national reconciliation, peace, and compromise—Khieu Samphan spends a large part of the message detailing a vague description. This has prompted His Majesty to complain that he does not know what the Khmer Rouge want to have or do. The king also says that he does not know whether the Khmer Rouge rejects or supports his proposal. It is clear that the Khmer Rouge has painstakingly raised the obsolete pretext that it has been using for years in order to shun the cease-fire and refuse to enter the roundtable meeting to solve problems peacefully. It is well known that for over a decade the Khmer Rouge, using Vietnam as a pretext, has totally destroyed monasteries, Buddhist monks' quarters, stupas, roads,

bridges, trains, schools, and hospitals. It has massacred children, elderly persons, women, and our people in rural areas without mercy. Moreover, the Khmer Rouge has also alleged that the Paris Accord of 23 October 1991 mapped out with the international community's support is a Vietnamese scheme. It contemptuously trampled upon the accord. It not only refused to cease firing, demobilize its troops, and lay down its arms, but it also fired at UNTAC and called the latter YUONTAC [derogatory word for UNTAC]. The Khmer Rouge also calls the royal government, which has come into being as a result of the people's wish through the elections organized and supervised by the United Nations, a Vietnamese puppet government.

In its latest letter, the Khmer Rouge has sternly charged that the subsistence of the two-headed government is maintained only by the communist Vietnamese's muscle and force. This constitutes a show of utter contempt for the people's wish and displays scorn for the king, who approved the government lineup last year. Most seriously, the Khmer Rouge has charged that the three conditions raised by the royal government in keeping with the king's 21 November 1993 three-point proposal are part of a Vietnamese scheme. It seems that the Khmer Rouge tends to insolently regard the king's proposal as a Vietnamese scheme as well. This is really an intolerable action. Moreover, the on-the-spot cease-fire is based on the clear-sighted initiative of the king; so why did the Khmer Rouge wildly accuse it of being a poisonous trick of the royal government.

In sum, it can be seen that the Khmer Rouge, drunk with its sense of identity with the people, has regarded those outside its group as Vietnamese, whom it intends to destroy completely. The Khmer Rouge has used the Vietnamese issue as a pretext to continue the destructive war against the nation. Vietnam is a label used by the Khmer Rouge as a pretext to massacre the people. At a meeting with Buddhist monks, senior citizens, nuns, and his children in front of the Chan Chhaya pavilion on 4 May, His Majesty Norodom Sihanouk Varaman said Vietnam should not further be used as a pretext to continue the war and that one should understand that the present war is a war between Cambodians. His Majesty added that those using any pretext whatever to prolong war are all national traitors, who are endangering the nation and bringing about a loss of Cambodia's independence, territorial integrity, and race. This being so, the Khmer Rouge, which always boasts about its patriotism, should feel humiliated and stop using the obsolete and base pretext to continue its political and military ambition. It should turn to talking about the reality with veracity and equity.

#### **Reports on Battlefield Situation Continue**

##### **Government Troops Kill 5 KR**

*BK0305145994 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT  
3 May 94*

["Flash news"]



[Text] According to a source in the General Staff of the Khmer Royal Armed Forces [KRAF], at 1000 on 3 May KRAF units assigned to ensure security for the populace along Route 10 in Battambang Province launched a counterattack against Khmer Rouge [KR] forces who were plundering and torching people's houses in villages and communes on Route 10.

According to a preliminary report on the clash with the Khmer Rouge [KR], five Khmer Rouge soldiers were killed on the spot, and many others were wounded and were taken away by their comrades. The KRAF seized a T-58 tank, a car, a 76.2-mm cannon, a 37-mm gun, a 23-mm gun, and a large number of handguns and machineguns.

The KRAF General Staff will supply additional details about the situation on the battlefield later.

#### **Route 10 Operations Destroy KR Tanks**

*BK0405062294 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 4 May 94*

[Text] Additional communique of the Khmer Royal Armed Forces [KRAF] General Staff on the military situation on Route 10 in Battambang Province:

According to a source in the KRAF General Staff, after repelling and sweeping the genocidal Khmer Rouge [KR] along Route 10 and in the villages and communes where they were plundering and torching our people's houses at Treng and Sdau, at 0840 on 4 May the KRAF continued their mopping-up operations against the Khmer Rouge.

During a clash at 0840 KRAF units fired at and set ablaze three tanks and seized another T-58 tank.

#### **Preah Vihear District Claimed by NADK**

*BK0505055294 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 May 94*

[Excerpt] On 4 May, the people, in cooperation with the National Army of Democratic Kampuchea [NADK], successfully attacked the 11th Division, which was made up of the communist Vietnamese and U.S.-backed puppets, in the Kulen district seat. The people and NADK also jointly attacked the invading forces at various positions in Kulen District and others in Preah Vihear Province.

This was retaliation against the invasion by the communist Vietnamese and U.S.-backed puppets against the NADK and Cambodian people.

After two days of fighting on 3 and 4 May, the people and NADK have smashed and completely liberated the area around the 11th Division. They currently occupy the Kulen district seat. [passage omitted]

#### **Khmer Rouge Cite Alleged General Staff Orders**

*BK0505122694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 May 94*

[Text] On the morning of 4 May, Ke Kimyan, ancillary commander of the communist Vietnamese puppets and chief of the General Staff of the two-headed government, issued an order to all armed units of the communist Vietnamese and American puppets on battlefields throughout the country. The following is the content of Ke Kimyan's order:

Top secret message:

1. The royal government will declare the implementation of a cease-fire. This declaration is only of a political nature. Militarily, the situation remains unchanged. All armed units should grasp the political trick of our royal government.
2. All armed units and military regions should continue to intensify their military activities to fight the Khmer Rouge ceaselessly.
3. As for our political and military objectives, they remain totally intact. This is only a tactic to enable us to have time to reorganize and muster forces and prepare weapons to counterattack the Khmer Rouge.

4. This is a direct order from Samdech Kromluong [title as heard] Norodom Ranariddh and Samdech Hun Sen.

[Signed] Ke Kimyan, chief of the Khmer Royal Armed Forces General Staff.

Note: We do not need to comment on the content of the above message.

[Dated] 4 May 1994.

#### **Indonesia**

#### **APEC Exploitation for Unilateral Use Viewed**

*BK0605085994 Jakarta THE JAKARTA POST in English 29 Apr 94 p 9*

[Text] Jakarta (JP)—Indonesia does not want the Asia Pacific Economic Cooperation (APEC) to become a forum through which certain countries can fulfill their ambitions of obtaining unilateral benefits after failing to achieve this at the recently concluded Uruguay Round of trade negotiations.

Minister of Trade Sastro B. Judono told reporters after meeting with President Suharto here yesterday said that APEC on the contrary, should be a forum where countries with advanced economies and those with developing economies can cooperate to improve their overall economic well being.



Judono was commenting on the new problems which he said had emerged following the signing of the Final Act of the General Agreement on Tariffs and Trade in Marrakech, Morocco.

He said the problem—which he referred to as “new forms of protectionist measures”—were mainly caused by the intention of several industrialized countries to include non-trade issues in the global trade rules.

“Cooperation will encourage developing economies to grow faster and will narrow the widening gap between the rich and poor countries. This will promote keener competitiveness,” he said.

Judono, who was accompanied by Coordinating Minister for Industry and Trade Hartarto and Minister/State Secretary Mardiono, pointed out that before such a state of equilibrium could be achieved, there would be no use talking about free trade in the region, since that would only encourage unbalanced trade.

“APEC should not immediately be turned into a free-trade zone because a certain period for cooperation is required to gradually develop the member countries before they finally reach a high level of competitiveness, allowing free trade to proceed,” he said.

Commenting on the Marrakech meeting, which he attended, Judono explained that Indonesia has five years—or until 1997—to adjust its regulations that require foreign investors to utilize local products.

“Indonesia and several other countries have yet to remove their regulations which are not in line with the new GATT rules,” he said.

In the implementation of international intellectual property rights—concerning copyrights, patents, trademarks, design rights and the right of trade secrecy—Judono said it was agreed that all signatories would adjust their respective regulations to the international norms.

#### **Alatas Discusses E. Timor Talks With Portugal**

*BK0405143094 Jakarta TEMPO in Indonesian  
23 Apr 94 p 42*

[“Excerpts” of interview with Indonesian Foreign Minister Ali Alatas by TEMPO correspondent Fikri Jufri in New York—date not given]

[Text] [Jufri] To what extent has progress to solve the East Timor issue at the international forums been made?

[Alatas] There has been no breakthrough through the formal tripartite talks involving Indonesia, the United Nations, and Portugal. The talks are not stalled, but progress has been made at a very slow pace. We are now discussing the issue of CBM or Confidence Building Measures.

However, outside the formal tripartite talks, several breakthroughs have been made. The first breakthrough

occurred last year with the establishment of EPIFA or European Parliament Indonesia Friendship Association]. We certainly welcome the establishment of this association, which was able to thwart Portugal's motions at the European Parliament. The second breakthrough took place even within Portugal itself with the establishment of the Portugal-Indonesia Friendship Association by Macedo and his friends. While business was the initial motivation, the association later also engaged in political activities. We certainly welcome this development. The third breakthrough occurred when Araujo, a former leader of Fretilin [Revolutionary Front for an Independent East Timor] now living in Portugal, decided to contact us and expressed his wish to meet with his old friends in Indonesia. Of course we had to double check his sincerity, and it turned out that he was sincere. We certainly welcomed his initiative.

[Jufri] If that is the case, why do we still hear protests on East Timor?

[Alatas] The protests come from those who feel they are being cornered, namely the hardline group opposed to Araujo's initiative. Who are these people? They are Ramos Horta and his friends, who are supported by the Allan Nairn group. I also believe that the film entitled Pilger was produced in a hurry so it could be shown before the annual meeting of the UN Commission on Human Rights in Geneva. This is understandable because they are worried about the impact of the breakthroughs mentioned above. Therefore, we are now in a unique situation: On the one hand, we see bright prospects, but on the other hand, we also notice that our opponents are also intensifying their activities.

[Jufri] Do you think that the upcoming meeting of the Indonesian community in the United States organized by the Asia Society will produce another breakthrough in that country?

[Alatas] It is hoped that the meeting will be able to introduce Indonesia in its totality to the U.S. society, especially to those whose knowledge on Indonesia are limited to issues like human rights and environment. This meeting is aimed at approaching not only the U.S. Congress, but also the U.S. media, which are responsible for building public opinion.

[Jufri] Therefore, this meeting is a kind of public diplomacy?

[Alatas] Yes, because present-day foreign diplomacy is no longer restricted to traditional diplomatic forums.

#### **Reportage on Alatas' Visit to Bulgaria**

*WA0505150894*

For reportage on the visit by Indonesian Foreign Minister Ali Abdullah Alatas to Bulgaria, including his talks with Bulgarian President Zhelyu Zhelev and other officials, and other countries in the region, please see the



relevant sections of the 5 May East Europe DAILY REPORT and subsequent issues.

## Thailand

### Reports on Reactions to U.S. Drug Probe Continue

#### Top Leaders Confer on MP Facing Charges

*BK0605133394 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 6 May 94*

[Excerpt] This afternoon Foreign Minister Squadron Leader Prasong Sunsiri called on Prime Minister Chuan Likphai, reportedly to discuss the issue of a member of parliament being involved in narcotics trafficking. Speaking to reporters afterward, the prime minister said he requested that the foreign minister ask the U.S. Embassy for information concerning the activities of the MP in question. He pointed out that the accused, Thanong, has not been proven guilty:

[Begin recording] [Chuan] Based on the information we have, at this time he is not being regarded as having committed any wrongdoing. Therefore, we must find out what the facts are. In my meeting with the foreign minister this morning, we decided to request the U.S. Embassy's cooperation in supplying us with information.

[Unidentified correspondent] What did he report to you?

[Chuan] After the news broke, we received information that the U.S. Drug Enforcement Administration had requested that notices be delivered to three people—whose names were given—to inform them that their assets in the United States would be seized. The notices—sent by the supreme attorney general—were delivered to two of these people. The third person could not be reached and the letter was mailed to him. [end recording]

Meanwhile, the foreign minister said he would instruct the Ministry permanent secretary to request information from the U.S. Embassy. He said the accusation not only damaged the accused but also the country's reputation. [passage omitted]

#### Foreign Ministry's Role Discussed

*BK0605135694 Bangkok Radio Thailand Network in Thai 0530 GMT 6 May 94*

[Text] Regarding the case that the United States has issued a warrant demanding a Thai member of House of Representatives to make clarification on a narcotics trafficking charge against him and U.S. authorities have frozen the assets in the United States of the said suspect, Foreign Affairs Minister Squadron Leader Prasong Sunsiri this morning met with Prime Minister Chuan Likphai to inform him of what the Foreign Ministry would do next on this matter. The foreign minister told reporters after his meeting with the prime minister that

he will contact the U.S. Embassy for further information. The matter also has adverse effects on the parliamentary institution and Thai people, and the Thai Government has not been idle on the matter, said Prasong. Regarding this, the Foreign Ministry has always followed up on the developments since it was first informed on 12 January 1993. The Office of the Supreme Attorney-General has reported on the matter to the Foreign Ministry and also notified the suspect and his colleagues of their wrong-doings, telling them to give explanations to the court in the United States.

[Begin recording] [Prasong] I will contact the U.S. Embassy for further information, because once an accusation is made against a Thai, it also affects all the others—both the parliamentary institution and the country as a whole. Therefore, I would like to know about the additional information and evidence. I will contact the U.S. Embassy, because it used to contact the Foreign Affairs Ministry before on this.

[Unidentified reporter] Sir, when did they first inform us of the matter?

[Prasong] Around 12 January 1993. However, they [U.S. authorities] have followed up this case for nearly 10 years, according to a report.

[Reporter] Sir, [words indistinct] what action will you take?

[Prasong] This is the responsibility of the authorities. I myself will coordinate the Office of Narcotics Control Board and police authorities in charge of narcotics work to give them information.

[Reporter] As an MP [Member of Parliament], what would you say about on this?

[Prasong] It is up to the House of Representatives to consider. [end recording]

#### Parliament Ready To Oust Accused MP

*BK0605080994 Bangkok THE NATION in English 6 May 94 pp A1, A4*

[Text] The House committee overseeing MPs' conduct yesterday vowed to push for the ouster of Chat Thai MP Thanong Siriprichaphong if he failed to clear himself of charges that he was involved in smuggling marijuana into the United States.

The House committee on parliamentary affairs plans to hold a meeting on Thanong next Tuesday but has tried unsuccessfully to contact the MP, whose testimony is essential before the panel can come to a decision.

Committee chairman Charoen Khanthawong said if the panel concluded that Thanong had damaged Parliament's reputation it would campaign for his ouster as MP.

"If we consider him to be guilty, the House committee will invoke article 93 to oust him," said Charoen.



Under article 93 of the Constitution an MP who tarnishes the reputation of Parliament can be ousted by a three-quarters majority vote, or 270 of the 360 members of the House.

The motion would require the support of at least one-third of House or 120 members, before it could be submitted.

Thanong has been accused of conspiring to smuggle more than 45 tonnes of marijuana into the United States, and his American assets have been frozen by a California court.

"I think Thanong should resign to clear up all problems. An MP has previously resigned from the House after he being found to be involved in corruption," Charoen (Democratic-Bangkok) said.

Charoen said he had called an urgent committee meeting on Tuesday at Parliament to discuss the matter and there would be an opportunity for Thanong to make an explanation.

"I'm not so sure Thanong will show up. The committee has been unable to contact him," the committee chairman said.

He said if Thanong was found guilty MPs could ask the House of Representatives to consider the matter promptly, without having to wait for the House committee to submit a motion.

Deputy Interior Minister Den Tomina said before leaving for the United States yesterday that Thailand may permit Thanong's extradition to the US for trial.

Senior Thai officials said Washington had not yet requested Thanong's extradition.

Den was invited to the US by the Drug Enforcement Agency [DEA] to discuss antidrug trafficking measures before Thanong's case was publicized.

He told reporters at Don Muang Airport the DEA will give him all information relating to Thanong's case. He was uncertain whether US authorities had issued an arrest warrant for Thanong's extradition.

Although Thailand has an extradition agreement with the United States, part of the agreement states that Thai authorities can take legal action against a suspect arrested here, Pol. Gen. Prathin said.

The opposition Chat Thai Party has played down Thanong's case as a "personal affair", but indicated it would expel him if presented with solid evidence.

Chat Thai MP Newin Chitchop said his party would definitely sack Thanong if he was found guilty.

He admitted that press reports about Thanong affected the party's image.

"However, I think this is a personal matter and has nothing to do with the party. Actually, there are good and bad people in every institution," Newin said.

Chongchai Thiangtham (Chat Thai-Suphan Buri) yesterday accused government MPs of releasing the news to the public in a bid to discredit the opposition.

"This is an old issue that we have known of for a long time. But I don't know why it is publicized now," he said.

"I think this is similar to the previous case when they wanted to discredit Narong," he said.

US drug allegations forced Narong Wongwan, a Chat Thai Party adviser to withdraw his premiership candidacy in March 1992. Narong strongly denied the accusations.

Chongchai said Thanong should explain himself to the public as soon as possible.

He said Thanong had not contacted the party since the charges against him were made public. Nor had the party been able to contact him because he had many houses in Nakhon Panom, Chiang Rai and Phatthaya and other places, he added.

Suwat Liptaphanlop, secretary-general of the Chat Phatthana Party, said the charges against Thanong were unlikely to affect the opposition's unity because it was a personal matter.

However, if Thanong was found guilty the Parliament's image would suffer. The opposition would discuss the issue next week, he said.

Senior government officials yesterday denied claims the government was just drumming up a previously untended issue to discredit the opposition which is planning to launch a censure offensive against the Chuan administration.

"We never have such an idea using Thanong's case to discredit the opposition in our head," said Democrat Secretary-General Sanan Khachonprasat.

Deputy Agriculture Minister Suthep Thuaksuban, a Democrat MP, said the government would "never become involved in any political ploy". But he added all MPs should help to protect the reputation of the House and all political parties should see to it that their members observe ethical principles.

Pol. Maj. Gen Chaowalit Yotmani, chief of the Office of Narcotics Control Board [ONCB], confirmed that Thanong's case was not being used as a political tool.

"If the opposition wants the ONCB to clarify the issue, we are willing to do so," he said.

Kraisak Chunhawan said Thanong must be arrested if police have enough evidence to back charges against him.



**Accused MP Claims Innocence**

*BK0605142494 Bangkok Thai Color Television  
Channel 9 in Thai 1200 GMT 6 May 94*

[Text] Talking to reporters at the National Assembly this afternoon, Thanong Siriprichaphong, an MP from Nakhon Phanom Province, insisted that he is innocent of all drug charges. He is gathering evidence to clarify the issue with all parties concerned:

[Begin recording] [Thanong] I consulted with the people in Nakhon Phanom and the Chat Thai Party about resigning as an MP as soon as I heard the news reports. They told me there was no need to resign. I deny the charges; I insist that I am innocent of all charges. As soon as I learned of the news, I contacted my lawyer to fight the charges. I learned about the charges from newspaper, radio, and television reports. The house and the assets are not in my name. I am checking on what I am being charged with—maybe it has to do with failing to pay the house mortgage. I am gathering evidence. I still do not know what I am being charged with.

[Question indistinct]

[Thanong] I will clear the parliamentary issue. I will not allow the image of the House of Representatives, the Chat Thai Party, or the people of Nakhon Phanom to be damaged. [end recording]

**Police Chief Comments**

*BK0605051494 Bangkok THE NATION in English 6  
May 94 p A2*

[Text] Police cannot take legal action against MP Thanong Siriprichaphong, who has been accused by a US court of smuggling drugs into the United States, because the charges were brought against him outside Thailand, police chief Prathin Santipraphop said yesterday.

Pol Gen [Police General] Prathin said police had not yet been briefed by US officials and could not act at this stage.

On Wednesday, the US Embassy in Bangkok said in a statement that Thanong (Chat Thai-Nakhon Phanom) had been involved in successful and foiled attempts to smuggle more than 45 metric tons of marijuana into the country.

Thanong allegedly received about \$10 million from drug trafficking between 1977 and 1987. His assets in the United States have been seized by a US court order, according to the statement.

Prathin said there was no automatic requirement for Thanong's extradition to the States. If it was requested by the US government, police would have to carefully consider how the law here applied to the case. Thai police may be able to oversee the case themselves, Prathin said.

It would be up to Parliament to approve Thanong's arrest if a warrant was issued. An MP cannot be arrested during a parliamentary session without the approval of Parliament.

Asked why police had taken no action against Thanong, even though he had long been a suspect, Prathin said police must be careful not to violate personal rights.

Police could make an arrest only when they had substantive evidence, he said. Police have lists of probable criminals and "influential" people, but they could not reveal them.

**Editorials Comment on U.S. DEA Drug Charges****Government Motives Questioned**

*BK0505142094 Bangkok NAE0 NA in Thai 5 May 94  
p 3*

[Editorial: "Make The Facts Clear"]

[Text] There is a rumor that a U.S. Government office has seized assets in San Francisco worth some 30 million baht belonging to Thanong Siriprichaphong, a member of parliament from Nakhon Phanom. To date no one—including the Thai Government and the Office of Narcotics Control Board—has been able to confirm or deny the rumor.

We feel the Thai Government and the House of Representatives have a duty to clear up the facts on this issue. This is because regardless of whether the rumor is true, the MP's party and the House will suffer damage, as will the country's reputation. Even if the seizure of assets did take place, the question of whether the MP's conduct conforms with the accusation is another matter.

The concerned U.S. authorities may have seized the assets in line with the relevant U.S. law, but it does not mean we have to believe the U.S. accusation is true. On the contrary, the Thai Government must carry out its own inquiry to provide justice to a Thai citizen. In this context, the U.S. Administration's role in dealing with the Singapore Government in the case of a caning sentence against a U.S. citizen is no different.

It is strange that the Thai Government does not seem to be paying much attention to this issue. This is evident in the fact that it was the private news agency INN that broke the news, and no Thai agency has been able to confirm or deny the story. This is despite the fact that the Office of Narcotics Control Board maintains regular contact with the DEA [Drug Enforcement Agency] to exchange information on the arrest of narcotics traffickers. We wonder what the government has been doing, or whether it is considering using this issue as a political weapon to cover up the bombing reports or discourage the opposition's planned no-confidence motion.

It is becoming a joke that instead of benefiting from this, the government could be suspected of planting the rumor



or using it to subdue the opposition. We feel that if the government promptly verifies the story and clears up the facts it will gain credit. If the Nakhon Phanom MP is guilty as charged, no one can help him.

#### **Further Inquiry into MP Urged**

*BK0505114594 Bangkok KRUNGTHEP THURAKIT in Thai 5 May 94 p 2*

[Editorial: "Thai Parliament Must Be Free of Narcotics"]

[Text] A Thai member of parliament has gained notoriety after being accused by the U.S. Drug Enforcement Administration of involvement in the international drug trafficking movement. As a result, his assets in the United States have been seized and his name blacklisted as persona non grata by the United States. It has become major news in view of the current political situation in Thailand.

It can be said that this sort of notoriety is nothing new. In the past, several MP's have faced similar charges in Australia and Hong Kong; some were even imprisoned abroad based on those convictions.

An MP who was a former political party leader and a one-time candidate for prime minister lost any chance of becoming a national political leader because the United States accused him of involvement in narcotics trafficking and declared him persona non grata. No details were ever given about his alleged activities. It became a big story after a report citing a Foreign Ministry official or an official of the embassy concerned was made public. The story gradually faded away, and whoever was concerned with the issue—whether Thai or foreigner—never provided any details to clear up the resulting confusion.

In the latest case, a USIS release claims that the DEA provided the Thai Government with a chronology of the Thai MP's trafficking activities dating back to 1977 and sought assistance in gathering information on the MP's background and assets. This was to facilitate the DEA's appeal in a California district court to seize the MP's assets. The release also noted that a house in Los Angeles and a Mercedes 560 SL were assets the MP acquired with profits made by smuggling narcotics into the United States beginning in 1977, when the MP started smuggling shipments of one or two tons. In mid-1987, U.S. Customs officials seized a shipment.

Although it is merely an accusation, we believe many people feel this causes great damage to Thailand. In particular, the honor and prestige of the House of Representatives—which is a major institution in Thai society—have been damaged because one of its members has been accused of conduct that international society and the United States have been trying to suppress.

Therefore, we appeal to the president of the House and the leader of the party the MP in question belongs to:

Take responsibility in this notorious issue by undertaking an inquiry with the DEA and bringing the MP in person to clarify the matter. In this way the people's skepticism can be cleared up.

#### **Army Official Expects 'Heavy' Cambodian Fighting**

*BK0605134994 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 6 May 94*

[Text] Lieutenant General Anuson Kritsanaserani, director of the Supreme Command Information Office, has said that heavy fighting is expected in Cambodia before the onset of the rainy season. He disclosed that the Cambodian Government is making preparations to recapture territory opposite Thailand's Aranyaprathet District from the Khmer Rouge and the safety of people living in that area could be in jeopardy.

[Begin Anuson recording, in progress] ...retake the territory. The Thai military has information that Cambodian Government forces have been carrying out logistical activities in preparation for an attack on the Khmer Rouge force that currently controls the territory opposite Aranyaprathet District, Sa Kaeo Province. Fighting is expected to intensify before the onset of the rainy season. Therefore, I would remind people living in Aranyaprathet District opposite Poipet to be careful. [end recording]

Anuson also said that Thai forces along the border are alert and have carried out exercises, particularly to conduct evacuations if the fighting in Cambodia so warrants.

#### **Fighting Reported Along Cambodian Border**

*BK0605140794 Bangkok NAE0 NA in Thai 6 May 94 p 9*

[Text] According to a news dispatch, there was fighting along the Thai-Cambodian border opposite Sa Kaeo Province. Khmer Rouge soldiers attacked Cambodian Government forces at Sra Kradan and the Poipet market, killing one government soldier and six villagers and wounding six others at a Poipet market.

The fighting took place about five KM from the Thai border. Some 1,000 Cambodians attempted to cross into Thai territory at Ban Wangmon and Ban Khok Sabang of Aranyaprathet District, Sa Kaeo Province as a result of the fighting. However, Thai soldiers at the border area did not allow them to enter the Thai soil.

Thach Koan, deputy governor of Cambodia's Banteay Meanchey Province, said that there were no casualties on the part of the government. He also added that there were no Khmer Rouge soldiers in Poipet. Cambodian forces seized four Khmer Rouge tanks. He said that he would talk with Thai officials on reopening a border checkpoint in the next 10 days.



Sa Kaeo Governor Kasem Chaisit said that the closure of the border checkpoint has affected the merchants. The two sides will try to reopen it as soon as possible. The governor of Banteay Beanchey sent a letter through the Thai-Cambodian Border Coordination Office asking for the talks. The talks are set to be held in Thailand on 10 May.

### Vietnam

#### Commentary Halls U.S. House Vote on SRV Issue

BK0505144294 Hanoi Voice of Vietnam in English  
1000 GMT 5 May 94

[Station commentary]

[Text] The U.S. House of Representatives has voted for Vietnam. From this issue, our radio editor has this to say:

On 20 April, after considering reports by the U.S. Senate and House on the appropriation bill for activities of the State Department and other agencies in the 1994-95 fiscal year, the House of Representatives voted against the proposal of Representative [name indistinct] opposing the Senate's (?praise) of the Vietnamese Government's good cooperation in the settlement of the MIA issue and the U.S. President's lifting of the embargo against Vietnam. Before voting, Representative [name indistinct] asked the representatives of the committee not to agree with the Senate's assessment. However, some representatives rejected [name indistinct] statement, saying that the President's decision to lift the embargo was correct.

Representative Peterson, Democrat from Florida, held that it is unacceptable to think of retaliation now. He said it is high time to seek solutions. Finally, with 209 votes against, [name indistinct] proposal has been rejected. Most of the representatives voted for the U.S. Senate's assessment on Vietnam's good cooperation in the MIA issue and affirmed the support to President Clinton's decision to lift the embargo on Vietnam.

This was the first time that U.S. House of Representatives voted for Vietnam issue following the Senate voting asking for the President to lift the embargo on Vietnam on 27 January 1994. This event expressed the current common trend of development in the United States—advancing toward normalization of relations with Vietnam in the interests of both the United States and Vietnam and the common trend in the world for peace, cooperation, and development.

In fact, following the U.S. decision to lift the embargo on Vietnam, both sides exchanged views on the setting up of liaison offices and other issues of common concern.

In an interview with the Paper TUOI TRE [Youth], Vietnamese Foreign Minister Nguyen Manh Cam said: Recent talks at different levels between Vietnam and the

United States produced good results. In the near future, the United States and Vietnam will set up liaison offices in Hanoi and in Washington. Moreover, American companies which have arrived in Vietnam to sign contracts prior to the lifting of the embargo now start to implement their projects. Besides, more and more American companies wish to invest in Vietnam for its economic development. The Vietnamese diplomat said he believes that both the countries will sooner or later set up diplomatic relations at ambassadorial level.

#### Radio Evaluates Le Duc Anh's Iran Visit

BK0605122594 Hanoi Voice of Vietnam in English  
1000 GMT 4 May 94

[Text] As reported earlier, President Le Duc Anh has successfully ended his official friendship visit. Here is the review to the Vietnam-Iran relationship:

The official friendship visit to Iran by Vietnamese President Le Duc Anh marked the turning point in bilateral relationship. On this occasion, the Vietnamese president held talks with his Iranian counterpart 'Ali Akbar Hashemi-Rafsanjani and called on a number of economic and cultural establishments in the Iranian capital. The two countries have also signed a trade agreement, an agreement on visa exemption for citizens of the two countries during diplomatic passport, and an agreement providing for the setting up of the inter-governmental Commission for Economic, Scientific, Technological, Cultural, and Trade Cooperation.

Vietnam and Iran have set up diplomatic relations at the ambassadorial level since 1973, and bilateral relationship has been developing in recent years. The two sides have exchanged a number of delegations for the view to strengthening mutual understanding for further cooperation. Leaders of the two countries stated that Vietnam and Iran have many things in common, including advantages and potentials for further development of bilateral cooperation. The Iranian president said: The first visit to Iran by Vietnamese President Le Duc Anh was a good opportunity for the two sides to exchange experiences. For his part, 'Ali Hoseyni Ayatollah Khamene'i described his satisfaction at what have been achieved, considering them initial but firm foundation for long term cooperation between Iran and Vietnam. Ayatollah Khamene'i added that besides, the two countries should exchange students to study languages of both countries.

In his talks with Vietnamese counterpart Nguyen Manh Cam, Iranian Foreign Minister Velayati said that Iran would prepare for the construction of Vietnamese embassy in Tehran. Iranian president proposed to organize an exhibition of Iran in Vietnam, and vice versa, so that the people of the two countries can have better mutual understanding.

... resulted in a President Le Duc Anh's visit to Iran. In the two governments number of agreements signed between Vietnam and Iran, marking a new step of development in the relationship and cooperation between Vietnam and Iran.



# **President's Indonesia, Iran Visits Reviewed**

*BK0505133694 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 4 May 94*

[Interview with Foreign Minister Nguyen Manh Cam by station correspondent Truong Cong Hoa; place, date not given—recorded]

[Text] [Correspondent] Dear Minister: You just accompanied President Le Duc Anh on an official friendship visit to Indonesia and Iran. Would you please appraise the results of these visits?

[Nguyen Manh Cam] These two countries have some similar features but have different approaches in their relations with Vietnam. First, Indonesia and Iran are both active members of the Nonaligned Movement. Indonesia, as chairman of the Movement, has made great efforts in carrying out its activities. Second, these two countries have great potential for economic development. The two nations share the same aspiration to expand relations with Vietnam in various aspects.

Indonesia has maintained long-standing relations with Vietnam; it has been almost four decades since the establishment of consulates general between the two nations. During this period, Vietnam-Indonesia relations have developed consistently in various fields. Although this relationship has sometimes declined, it has developed vigorously following President Suharto's official visit to Vietnam in late 1990 and Prime Minister Vo Van Kiet's official friendship visit to Indonesia in October 1991. Since then, Vietnam's relations with Indonesia and the other ASEAN countries have shifted to a new era—an era of cooperation and development. Over the past two or more years, these relations have developed rapidly. The value of goods exchanged between the two countries reached \$255 million in 1993, compared to \$192 million in 1991. Regarding economic cooperation, Indonesian businesses have invested in various projects in Vietnam and have been granted licenses [words indistinct]. In addition, the two countries have expanded cooperation in the fields of culture, science, and national defense.

We have had relations with Iran for over 20 years—since 1973. In the past we have not have much activity in economic and trade cooperation because of unfavorable geographical conditions. Over the past few years, however, our trade relations with Iran have improved remarkably.

President Le Duc Anh's visit to Indonesia and Iran was aimed at strengthening friendship and cooperation with these countries, especially Indonesia, with which we have consistently maintained a close relationship. As for Iran, through President Le Duc Anh's visit we have built a firm basis for developing relations with this country. During the meetings between President Le Duc Anh and the Indonesian and Iranian presidents, as well as meetings between Vietnamese ministers and their Indonesian

and Iranian counterparts, we focussed on discussing ways and means to expand cooperation, especially in the economic domain.

In Indonesia, the presidents and ministers of the two countries contended that economic and trade relations are not active enough in view of the political relationship and the potential of the two nations. On this basis, the two countries agreed that efforts must be made in the future to expand cooperation in trade and other domains; first in the exploration for oil and gas, then in the exploitation of coal mines, maritime products, agriculture, and tourism. In our meetings with representatives of Indonesian companies, they expressed their readiness to cooperate with Vietnam and participate in building various electric power plants in our country. I can say that through the visit to Indonesia, we have established a basis and an orientation for further development in relations between the two countries. To achieve this goal, the two countries will sign an agreement in the near future on the avoidance of double taxation to create favorable conditions for the promotion of business activities between the two countries.

In Iran, President Le Duc Anh held talks with his Iranian counterpart. Both sides contended that economic and trade relations between the two countries are still minimal, although the bilateral friendship has developed satisfactorily. As a result, both sides should make greater efforts to expand cooperation in the economic and trade domains as soon as possible. There is a great demand in Iran for rice and tea; Iran needs about 500,000 tonnes of rice annually. Both sides agreed that Vietnam can export rice to Iran on a regular basis. Iran would also like to import a large volume of tea from Vietnam.

[Nguyen Manh Cam continues] In addition, from Iran we can buy such things as cotton and petroleum products, including asphalt, chloride, and clinker, which is used in the processing of cement. Thus, the two sides have goods for barter trade. Economically, the two sides agreed to cooperate in the field of gas and oil, as Iran's oil industry is a century old and has much experience in this field. Iran is ready to help train cadres for us. Iran also wants to help build an oil refinery in Vietnam. In addition, Iran is ready to cooperate with us in the field of construction, especially the construction of a cement factory, based on its experience in this field. Based on our suggestion, Iran is very eager to cooperate with us in the fields of oil, rubber, tea, and coffee.

To make a long story short, Iran is very eager to achieve long-term cooperation with us. This means that our president's visit to Iran, the first high-level meeting between the two countries, laid the foundation for a real and long-term relationship between the two countries. It should be noted that during this visit we were showered wherever we went with the special sentiments of the Iranian leaders and people. Here I would like to recall a highly typical remark by Ayatollah Khamene'i, Iran's highest spiritual leader, on our people and struggle: The Vietnamese people are highly admired because they have



demonstrated their very heroic fighting spirit. They have set a shining example for those nations fighting for independence and have contributed greatly to the struggle of the world's nations for independence and freedom. Cooperation between Vietnam and Iran has a very good basis for development.

What should be recalled here is that the summit meetings between President Le Duc Anh and Indonesian President Suharto, and between President Le Duc Anh and the Iranian president, contributed to strengthening the solidarity among members of the Nonaligned Movement further so as to realize the Movement's common goal of peace, independence, sovereignty, and development and to contribute to establishing a new world order.

[Correspondent] Mr. Minister, what do you think about the question of Vietnam joining ASEAN, which was raised during the visit to Indonesia?

[Nguyen Manh Cam] The fact that we are joining ASEAN as an observer and that we recently participated in a project sponsored by an ASEAN committee will inevitably lead to our country's participation in ASEAN as a full member. This is a logical development in line with the current trend in the region as well as the world. Recently, all of the ASEAN leaders have expressed their desire to see Vietnam obtain full ASEAN membership soon. Because this is compatible with overall developments in the region and the world, we must—with the support of the ASEAN members—be prepared to participate in this organization soon as a full member. Just as President Suharto said during his exchange of views with President Le Duc Anh: Vietnam becoming a full member of ASEAN will be very beneficial to regional development. This is compatible with the current trend toward regional peace, stability, and cooperation and is universally beneficial to the development of all nations in the world.

[Correspondent] During his visit to Iran, President Le Duc Anh was accompanied by a number of Vietnamese businessmen. Is this a change in the way our country's leaders work when they go abroad?

[Nguyen Manh Cam] In the past, our leaders' overseas trips were more politically motivated. In the new situation, overseas trips by high level leaders such as the president, prime minister, and general secretary will not only have political significance—because they help strengthen the friendship between our country and the countries that our leaders visit—they will also have very positive economic significance. As economics has become the pressing demand of all nations, visits by our government's high level delegations are usually accompanied by representatives of various public health organizations, corporations, and enterprises. This is because, along with high-level meetings, we also need direct contacts between corporations. This way we will be able to understand the real capabilities of related sectors with which our country can achieve cooperation. That is why representatives of the corporations dealing in those

goods Iran wishes to import from us or export to us went along on the trip to Iran. This further substantiated the high-level agreements we reached. Of course, we could not do much on a visit that only lasted for a few days, but at least we established direct contacts to continue our exchange of views and spur bilateral cooperation. This is a change in our working method that suits the requirements of the current situation that is witnessing the growth of various countries in the world.

[Correspondent] Thank you, comrade minister.

#### **Japanese Justice Minister's Remarks Criticized**

*OW0505115294 Tokyo KYODO in English 1143 GMT 5 May 94*

[Text] Hanoi, May 5 KYODO—Vietnam reacted angrily Thursday [5 May] to Japanese Justice Minister Shigeto Nagano's remarks on Japan's part in World War II, saying his comments were contrary to historical facts.

Nagano's remarks ignored the apologies made by Japanese leaders to Asian countries, a foreign minister spokesman said. Disapproval will be voiced in many Asian countries simultaneously, the spokesman said.

Some two million Vietnamese starved to death while Japanese troops occupied Vietnam from 1940 and 1945.

Last August Vietnam welcomed then Japanese Prime Minister Morihiro Hosokawa's recognition of Japan's responsibility for World War II. Hosokawa said shortly after assuming office that Japan waged "a war of aggression" and it was "a wrong war."

#### **National Assembly Chairman Meets ROK Delegates**

*BK0505152594 Hanoi VNA in English 1442 GMT 5 May 94*

[Text] Hanoi VNA May 5—National Assembly Chairman Nong Duc Manh received here today a delegation of the External Relations Committee of the parliament of the Republic of Korea led by the committee's Chairman Chong Chae-mun. At the reception, Chairman Nong Duc Manh said that the Vietnam-South Korea friendly and cooperative relations developed well in recent years. Vietnam and South Korea have many points of similarity and conditions for cooperation in the interests of each country and mutual interest of the two countries. He expressed his belief that the delegation's visit to Vietnam will succeed, thus contributing to opening a new stage in the all-side cooperative relations between Vietnam and South Korea. Chairman Manh also asked Mr. Chong Chae-mun to convey his greetings to chairman of South Korean's parliament. Mr. Chong Chae-mun shared the same views with his host. He expressed his wish for continuing the development of friendship and cooperation between the two countries, that will contribute to the maintaining of peace, stability development and prosperity in the region and the world as whole.



### **Ho Chi Minh City Communication Systems Increased**

*BK0505082294 Hanoi VNA in English 0605 GMT 5 May 94*

[Text] Hanoi VNA May 5—More than 100,000 telephones have been installed in this biggest commercial city of the country, a four fold increase over the figure in early last year. As a result, there are now 3.7 telephones for every 100 people but this is only one-fifteenth the ratio of European countries.

According to sources from the city's post and communication office, more than USD 50 million has been invested over the past year in an automatic exchange system. One of the major projects is the installation of an underground cable system. On completion the project can provide a million telephones to the local subscribers by 2000.

The director of the Municipal Telephone Company predicted that his company will have 200,000 more subscribers by the end of this year. [sentence as received] The number next year is expected to be ten times bigger than the 1992 figure. In addition, other services have been developed such as cellular mobile telephone, trunked radio mobile telephone, and card phones. Vietnam plans to have one telephone for every 100 people next year compared with three telephones per 1,000 persons at present, and three telephones for every 100 people by 2000, Said Dang Van Than, general director of the General Department of Post and Telecommunications.

### **Illicit Cross-Border Tobacco Imports Reported**

*BK0405154594 Hanoi NHAN DAN in Vietnamese 15 April 94 p 1,4*

[Text] "The illicit import of raw tobacco (tobacco leaves) from across the southwestern border has caused extensive confusion, a considerable tax collection shortfall, and has been a source of unusually high illegal profit for a number of people. Therefore, the state has decided that beginning in 1994, all the imports of raw tobacco will be put under official control. As early as 22 September 1993, the Customs General Department issued Notice No. 793/TCHQ-GQ, which points out: Those cigarette manufacturing units wishing to import raw tobacco from Cambodia must seek quota allocations from the Ministry of Commerce and must correctly comply with all stipulations of the state governing the import of goods."

At the request of the Vietnam Tobacco General Corporation, the Ministry of Commerce on 3 February 1994 allowed the general corporation to import \$10 million worth of raw tobacco. After that, the general corporation assigned the Nam Raw Tobacco Company (in Thong Nhut district of Dong Nai province) the duty to import \$2 million worth of raw tobacco. "Nevertheless, in late March to early April 1994, this company continued to buy large quantities of raw tobacco through their imports beyond the quota allocated."

In view of this violation, the 3d Market Control Team inspected the company and seized over 152 tons of tobacco from it. Later, however, the market control team somehow chose to put this case into limbo, arguing that "it found only a small amount of tobacco—4,709 kilos—kept by the company in excess of the quantities of its duty-paid tobacco."

After securing the release of its confiscated goods, the company again bought 14 truckloads of raw tobacco. This time the company's action could not go unnoticed by members of the C-15 Economic Police Unit who found the company had 98 tons of duty-not-paid raw tobacco in its storage.

Because the company registered 6,000 dong as the import price per kilo of tobacco, compared to the real price of between 18,500-20,000 dong per kilo, it is believed that the company "delared the import price of its raw tobacco below the real buying price to evade tax."

### **Regional Telecommunication Meeting Scheduled**

*BK0605073794 Hanoi VNA in English 0630 GMT 6 May 94*

[Text] Hanoi VNA May 6—Asia Pacific Telecommunity (APT), the leading intergovernmental telecommunication organization of the region is organizing a meeting on planning and development of telecommunication networks for the countries of North and East Asia here. The meeting, from Wednesday to Friday [dates not further specified], is hosted by the Department General of Posts and Telecommunications of Vietnam. Its objective is to correlate planning and programming of telecommunication networks in the countries concerned. The meeting, the first of its kind in Vietnam, will also indentify the bottlenecks and key solutions as well as recommend a follow up action for the countries involved and concerned telecommunication organisations—APT and ITU [International Telecommunication Union]. Representatives of telecommunication administrations from Australia, Cambodia, China, Japan, the Republic of Korea, Laos, Macau, Mongolia, Myanmar [Burma], Thailand and Vietnam participate in the meeting, which is also attended by ITU and UNDP [UN Development Program].

### **Radio Evaluates Le Duc Anh's Iran Visit**

*BK0605122594 Hanoi Voice of Vietnam in English 1000 GMT 4 May 94*

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President Le Duc Anh's visit to Iran resulted in a number of agreements signed between the two governments marking a new step of development in the relationship and cooperation between Vietnam and Iran.

#### **Coal Exports by Military Units Face Difficulties**

*BK0605141494 Hanoi QUAN DOI NHAN DAN in Vietnamese 12 Apr 94 p 2,4*

[Report by Do Phu Tho]

[Summary] "The coal production output of military units is growing larger and larger, from 500,000 tons in 1991 to 570,000 tons in 1992 and 630,000 tons in 1993. Its expected output for 1994 is 720,000 tons. Coal exports have also increased rapidly with the export volume increasing from 170,000 tons in 1992 to 200,000 tons in 1993 and to an expected 300,000 tons this year."

With its organizational advantage, military units engaged in coal production have operated effectively as state enterprises under the Army's Truong Son, Song Hong, and 11th Engineering General Corporations and have made their adequate contributions to the state budget. The first two general corporations have become members of the Coal Exporting Council since 1992.

"The export through only one outlet has helped eliminate the state of competitive buying and selling and the

forcible reduction of price. This export system is beneficial to both the state and the enterprises concerned. However, this system has created a situation in which military enterprises have concentrated only on production without paying any attention to world market demands."

As these military enterprises do not have any frequent foreign customers, "they have been adversely affected by a decision of the COALIMEX (Coal Import-Export and Supply) Corporation under the Ministry of Energy to stop helping units outside the coal sector export their coal, beginning April 1994."

"As of 1 April 1994, coal-exploiting military units had registered some 150,000 tons of coal still in backlog, including 100,000 tons exploited in the first quarter of 1994 and 50,000 tons left behind since last year. During the first quarter of 1994, military enterprises could only export 10,000 tons of coal or so, including 6,000 tons from the Truong Son Engineering General Corporation and over 5,000 tons from the 11th Engineering General Corporation. Should the managerial system for the production and sales of coal remain unchanged, it is certain that coal-producing military units will not achieve their marketing targets."

#### **\* Journal Stresses Importance of Defense Work**

*943E0010A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Jan 94 pp 7-12*

[Article by TAP CHI QUOC PHONG TOAN DAN Board of Editors: "Continue To Renovate the Thinking on the Task of Defending the Fatherland—Issues and Solutions"]

[Text] "New Thinking on the Task of Defending the Fatherland—Issues and Solutions—Research and Exchange of Opinions" is a new regular section opened in TAP CHI QUOC PHONG TOAN DAN in 1993. It debuted with an essay of an advisory character by the board of editors published in issue No. 1/1993. The section has received an enthusiastic response from large numbers of leadership, management, and commanding cadres, and from theoreticians and scientific researchers of various sectors and levels at the center, in localities, and in the people's armed forces. By summing up realities in conjunction with carrying out theoretical research, the section has expressed numerous opinions, has conducted exchanges of experiences, has brought up issues, and has suggested solutions. Some of these opinions have been accepted and are gradually being introduced into life; some have considered on the occasion of the preparation for the Midterm Party Conference of Delegates; and some others call for further research and exchanges of opinions.

The board of editors of TAP CHI QUOC PHONG TOAN DAN advocates continuing to expand this section of the journal in 1994 for the same set purposes', on the basis of the review of the initial steps of the socialist renovation process in general and the renovation of the



task of defending the fatherland in particular as laid down by the midterm party conference of delegates and reflected later in various party resolutions and state positions and policies.

To contribute to *summing up the initial steps of the renovation process in the task of consolidating national defense and defending the fatherland*, this article raises the following issues, which are also issues calling for continued research, exchanges of opinions, and suggestion of solutions in TAP CHI QUOC PHONG TOAN DAN this year.

### 1. Hostile forces' strategic thinking and our new concepts of the task of defending the fatherland.

Monitoring the schemes and tricks used by imperialism to oppose and sabotage socialism in the Soviet Union, Eastern Europe, our country in the past, we can see that since the beginning of the 80's the *strategic thinking of imperialism has changed*.

From resorting to *armed violence* combined with nonviolent tricks such as politics, psychological warfare, espionage... as *the main way* to oppose and sabotage us, imperialism has shifted to relying on *tricks involving nonuse of armed violence* such as politics, psychological warfare, espionage, economy, culture... as *the main thrust, combining them with military deterrence* and limited armed aggression, which may turn into war of aggression if an opportunity presents itself and if imperialism believes it can achieve victory within a short period of time. Other hostile forces have also strongly switched to different maneuvers, including the "soft war" trick combined with threat of armed violence and "hard war."

Pursuing its "peaceful evolution" strategy, imperialism is feverishly and openly opposing and sabotaging the Vietnamese revolution by means of "free market economy" and "political pluralism-democracy-human rights" in various domains: economy, politics, theory and ideology, culture, art, way of life.... It is prepared to combine subversive rebellion of reactionary forces inside the country and military deterrence and armed aggression from abroad. An extremely dangerous thing is that imperialism is taking advantage of our renovation undertaking itself—which also advocates market economy, but one that is oriented toward socialism—and our broadening of socialist democracy in an attempt to divert our renovation process to capitalism. We can predict that, when the United States lifts the embargo, the enemy's scheme will be stepped up with new tricks—both subtle and glaring—through direct action or under the United Nations banner. Thus, danger will develop right in the opportunity created by the lifting of the embargo.

Along with the hostile forces' activities are the destabilizing factors in our internal ranks that we should not ignore: Although our country has overcome the most difficult periods of the socioeconomic crisis, it still has not yet extricated itself from the crisis; although progress

has been made in the implementation of democracy among the people, many limitations still remain; corruption and smuggling activities of some people in the state machinery are still serious, causing legitimate indignation among the people; contradictions among the people and religious and ethnic issues can easily be exploited by the enemy to incite public opinion; erroneous political tendencies in a number of circles....

All this combines to increase the dangers threatening the security of the country and of the socialist regime—dangers that lie hidden in many domains of social life. All these possibilities and contingencies have been correctly forecast in various party resolutions. The obvious question is that we must frustrate the "peaceful evolution" strategy and other schemes and tricks of the enemy in peacetime. At the same time we must be prepared to cope with all limited armed aggressions and even with wars of aggression. We do not exaggerate the danger of war of aggression, but we should not be subjective and off our guard.

From the aforementioned situation and considering the characteristics and background of the current national struggle and class struggle, we can set forth *a number of new concepts of national defense* as follows:

—The security of the country; the independence, sovereignty; and territorial integrity of the nation; and the stability of the socialist regime depend chiefly and primarily on political stability, economic growth, and scientific and technological development. At the same time, they depend on our national defense and security potential, on the deterrent might of the people's army and people's armed forces, on the people's public security's capability to ensure political security and social order and safety, and on the people's vigilance. Therefore, to defend the fatherland we must concentrate on the task of economic development and national construction; at the same time, we must devoted ourselves to consolidating national defense and security. Developing the economy in accordance with the socialist orientation implies the defense of the regime and the fatherland, although national defense still has its own requirements and although we still have to combine economic development with national defense to make the people prosperous, the country powerful, and the society just, healthy, and civilized.

—Nowadays to defend the fatherland is to defend the socialist regime, a task closely linked with the defense of national independence and sovereignty and the state's territorial integrity (including the land area, the airspace, the sea, the continental shelf, and the exclusive economic zone); with the defense of the peaceful labor and the lives and property of the people; and with the defense of the national characteristics against both foreign aggressors and internal enemies. We should criticize the erroneous concept that although the socialist regime might collapse we could still have the necessary stability and confidence for building an



independent, free, prosperous, and powerful Vietnamese fatherland. As past realities in the Soviet Union showed, if the socialist regime in Vietnam collapsed we can predict what Vietnam and its people would become in view of the schemes of the hostile and reactionary forces at home and abroad aimed at exploiting and provoking contradictions in our internal ranks. If that happened, could we have peace in order to make the people prosperous and the country powerful and to defend national sovereignty?

- National defense must be a general strategy in which *national defense* is closely combined with *security* and *foreign relations*; and even national defense, security, and foreign relations themselves must be *closely combined with economic development and national construction in all respects*. In this strategy, security and foreign relations would become increasingly important as attacking spearheads, while the army and national defense would serve as deterrent fists.

For this reason, we must not make light of the role of the people's army and the people's armed forces. Only with sufficiently strong national defense potential and a sufficiently strong people's army will we be able to deter local and foreign hostile forces from engaging in adventurism, to ensure a peaceful environment for economic development and national construction, to create the basis for guaranteeing political security and social order and safety, and to secure the necessary position and strength for the conduct of foreign relations. This is not to mention the fact the army is also duty-bound to participate in ensuring political security, in economic building....

Building the all-people national defense, the people's army, and the people's armed forces is not an undertaking solely designed to prepare us for war; on the contrary, first and best of all it must be aimed at rolling back the danger of war, contributing to frustrating all enemy schemes in peacetime (peaceful evolution, subversive rebellion), consolidating peace, and, at the same time, creating greater potential in all domains so that we can stand ready to defeat wars of aggression in any situation.

Generally speaking, that is the *modern thinking on the task of defending the fatherland*, which calls for the development of a *modern model of national defense* and the abandonment of the classical thinking on and model of national defense based solely on military forces, although in the modern thinking on national defense the role of armed violence is by no means eliminated; on the contrary, great importance must still be attached to this role. Thus, in the modern model of national defense not only modern weapons and equipment are mentioned, although appropriate modern weapons and equipment are still necessary.

2. Proceeding from the characteristics of the situation in our country, in the region, and in the world, we must thoroughly understand the revolutionary tasks, the socialist renovative line of the party in the national defense and military domains, and must actively build the all-people national defense system and the people's armed forces.

The initial success of the renovation undertaking in the domains of military work, national defense consolidation, and armed forces building is primarily a success of the thorough understanding of the situation and tasks of the revolution and the socialist renovative line of the party. To determine the remaining problems in this domain as well as the directions to follow in resolving them, we should learn from the aforementioned lesson. And that lesson is none other than a thorough understanding of the Marxist viewpoint that the military must submit to politics and depend on socioeconomic conditions.

Reality has shown that the situation and tasks of the revolution and the socialist renovative line in the economic and political domains have a substantial impact on the building of the all-people national defense system and the people's armed forces. We can cite here some characteristics that have the greatest influence:

- The peaceful situation, which is different from war, although this peace is not yet steady.
- National construction is the foremost task, a factor different from the past, when fighting was the primary task. Construction means that we must overcome backwardness and poverty, a task many times as difficult as the fight against imperialism and feudalism, as Uncle Ho used to say.
- Development of a multisectorial commodity-based economy and a socialist market economy and implementation of an open-door policy; this is different from the past, when a highly centralized, planned, and subsidy-based economy narrowly confined in the socialist system was in force.
- Meeting our own needs for weapons, equipment, and supply of materials for national defense and war; this is different from the past, when we relied on international aid.
- Building of a Vietnamese rule-of-law state of the people, by the people, and for the people under the Communist Party leadership; this is different from the past, when the party assumed many duties of the administration.
- New developments of the modern scientific and technological revolution in the world, which marks a new qualitative advance of human civilization and profoundly influences the economic and military affairs and all domains of social life of each nation and throughout the world.

From the characteristics of the aforementioned situation and tasks, we can see that:

We have much experience in war especially experience in war of liberation, mainly on the mainland and in the building of wartime armed forces. However, we still have little experience in consolidating national defense and in building peacetime armed forces. Naturally, we still have to pay utmost attention to the fact that peace is not yet steady and that there still are many unsettling factors.



Worse still, we lack experience in building national defense and the armed forces on the basis of the socialist market economy and in the process of building a Vietnamese rule-of-law state under the Communist Party leadership.

We are good at conducting all-people war but have little experience in building the all-people national defense system and in conducting war for national defense on land, in the air, and on the sea—our country can be called a "marine state" because its sea area is three times as large as its land area. Therefore, we are still unable to satisfactorily combine national defense with economic building and various aspects of national construction in which we should pay much attention to combining national defense activities with economic building on the sea. National defense building remains narrowly confined in many respects and is considered an exclusive duty of the Ministry of National Defense, the people's army, and the people's armed forces; this task has not yet been open to all society and has not yet really become an undertaking of all the people and all branches of the state from the central to the local level, especially the central level. We have not yet promptly made the most of the many achievements in the national renovation undertaking....

Some positions and policies of our party and state on national defense and army building have not yet been in harmony with the market economy and peacetime construction; the supply of materials and budget for this task has not yet been rationally ensured as permitted by the situation of the country.

There still are hitches in the relationship between the party leadership and the state management. Party resolutions have not yet been institutionalized; many resolutions have not been implemented. To a certain degree the state still operates on its own initiative, on the basis of personal relations, and according to negotiated agreements.

The problem here is that we must learn from and improve on past, diversified experiences and creatively apply them to the new conditions, situations, and tasks. We must overcome conservatism and empiricism while opposing dogmatism and the state of being divorced from reality in the past there had been some dogmatism and empiricism in emulating the socialist countries; now there may be dogmatism and empiricism in emulating the capitalist countries.

We must overcome the remaining shortcomings and weaknesses and see to it that our entire political system, including the party, the state, and the mass organizations, really participate in further consolidating national defense and building the people's armed forces. This means that we must *thoroughly understand the all-people national defense viewpoint in the conditions of the socialist renovation undertaking*, and must pay greater attention to *closely combining national construction with national defense*.

We must *strengthen the party's centralized and unified leadership* over the two strategic tasks of building and defending the fatherland, and over national defense and

security work and foreign relations. We must institutionalize the party's decisions on national defense and security and on people's armed forces building; and must strengthen the state management of national defense work. All party and administrative organizations at the center and in localities, party groups, and party affairs committees of the various ministries, departments, services, and mass organizations at the center... must attach special importance to leading and managing the national defense task according to their functions and duties and must closely combine the two strategic tasks.

The Conference on All-People National Defense Work held in November 1993 brought up and resolved numerous important issues such as opposing "peaceful evolution," educating party and state cadres and the people in national defense; building defense zones; building mobilization-ready reserve forces and preparing them for wartime mobilization; and building militia and self-defense forces. Obviously, these tasks can be accomplished only if there is an aggregate strength of the entire people under the party leadership and state management combined with broad mass movements.

There is a major issue of national defense relating to the entire national construction task and bearing mostly on various ministries, departments, and services at the central level—an issue that needs to be settled—namely the question of *combining national defense with economic development and other aspects of national construction and with investment in the building of national defense industry* in order to strengthen economic potential and achieve political stability while strengthening national defense potential. Only on this basis will we be able to draw up accurate wartime mobilization plans, to maintain high combat readiness, and, when required by the situation, to turn the potential of the country and of the all-people national defense system into the strength of people's war for national defense.

We all know that combining national construction with national defense is an element of the model of socialism in Vietnam, as reflected in the six characteristics and seven basic directions stated in the seventh party congress Political Program. Settlement of this relationship will have an impact on the entire national development process in general and on each aspect of economic building, national construction, and national defense in particular. This impact is evident and direct in areas such as the building of infrastructure, communications and transportation, roads, airfields, piers, post and telecommunications; in major, long-term economic plans and projects; in economic projects relating to foreign investment. As stated above, this problem has become more complicated in the conditions of the multisectorial economy operating in accordance with the market mechanism; this is different from the past, when there were only two economic sectors—the state and collective sectors—in the highly centralized planned economy.

To satisfactorily carry out the tasks of economic building, national construction, and national defense, and to skillfully



combine the two strategic tasks, party and state cadres and the mass organizations must have knowledge of military and national defense affairs and military cadres must have knowledge of economic and legal matters and other fields.

*We must institutionalize party decisions and strengthen the state management of national defense and armed forces building.*

—We must determine in the Constitution and the law the national defense duty of all citizens, various economic sectors, production and business organizations, sociopolitical organizations, various ministries, departments, and services of the state at the center and in localities.

—We must have a national development strategy encompassing the economy, national defense, and other areas of construction, and combining the two strategic tasks, which include the national defense strategy or the national defense and security strategy. —We must adopt major policies to ensure implementation of the national defense and armed forces building tasks. —We must have an adequate budget; this budget must be reflected in the *Law on State Budget* and concretely determined in government plans and programs of action for each period of time (five-year and annual plans and programs). The national defense budget is not limited to the budget of the Ministry of National Defense but also includes the military budget contained in the general budget of various sectors at the center and in the budgets of various localities.

—The Ministry of National Defense must fulfill its functions as the principal state management organ in charge of national defense and as a capable staff of the party and other state services in national defense matters. The ministry must inspect the implementation of national defense tasks by various state services, localities, production and business units, economic sectors, social organizations, and citizens. —The ministries, departments, and services at the center must have components (or specialists) in charge of monitoring national defense work in order to, first of all, satisfactorily fulfill their functions and duties in relation to the national defense task and, at the same time, to satisfactorily carry out the national defense task pertaining to their functions and duties.

—We must develop the mechanism of party leadership and state management in the field of national defense and armed forces building.

*Concerning the building of the people's army and the masses' armed forces in particular, we must do the following:*

As a result of our strategic adjustments, our military organization has now been radically turned into a *peacetime military organization* with its three categories of troops reshaped in accordance with peacetime conditions and with the market economy (they are different from the organization of the three categories of troops during wartime and in the highly centralized planned economy).

The problem here is *to enhance the quality* of the people's army and of all the three categories of troops so that they can meet the demands of peacetime political and military tasks, have sufficient strength to deter hostile forces, and join the entire people in achieving victory in case of hostilities.

To step up the building of the revolutionary, regular, well-trained, and gradually modernized people's army, we must basically renovate our thinking on building the people's army in peacetime and in the market economy, on the basis of applying and developing the principled experiences in building the revolutionary army and people's army over the past few decades. We must continue to carry out research on and determine the total troop strength and the rational relationship between the standing army and the reserves. We must renovate the organization of the forces of the three categories of troops, the armed branches and services, the rapid-reaction mobile force, the stationary force, and the militia and self-defense forces in the multisectorial economy. We must do research on combining the military draft system with the volunteer system and broaden the career soldier system. We must basically renovate the army building and army welfare policies and should not confuse the national defense policy with the social welfare policy. We must restore the image of Uncle Ho's soldiers and enhance the standing of the people's army and the officers corps on the social scale of value. We must satisfactorily meet the legitimate and reasonable material and spiritual needs of soldiers, officers, and their families when they are on active duty as well as after they have returned to civilian life. We must develop the people's army politically and build pure and strong basic party organizations in the army. We must provide the officers corps with college education in keeping with President Ho Chi Minh's concept of turning workers and peasants into intellectuals, and must develop a new model and set new targets for officer training according to the three levels of army officers. We must rearrange the military school system in the common training system of the state. We must adopt a policy aimed at attracting talents to serve in the army. We must acquire some new weapons and equipment in conjunction with using and maintaining the weapons and technical equipment currently available. We must improve the quality of military education and training, step up the building of the regular army and comprehensively strong units by stepping up research on military science and technology, on other social sciences, and on the humanities, and by combining practical review with theoretical research. We must improve the economic efficiency of the units engaged in production and economic building. We must enhance the combat readiness of various units, care for the material and spiritual life of cadres and soldiers, and build the army into a wholesome school of culture appealing to the youth. We must make army building a task really of the entire party and people and of all the political system so that it can fully benefit from the achievements in the renovation undertaking in terms of people, spirit, intellect, ethics, and material and technical base, with attention paid to the scientific and technological achievements in the gray area between people's livelihood and national defense.

Cadres and soldiers of the people's army themselves must actively strive to fulfill all tasks entrusted by the



party, the state, and the people in the national renovation undertaking to defend—and contribute to the building of—the socialist Vietnamese fatherland. In this way they will be making practical preparations for celebrating the 50th anniversary of the heroic Vietnam People's Army (December 1944-December 1994).

**Footnote**

1. See "New Thinking on the Task of Defending the Fatherland—Issues and Solutions" by the TAP CHI QUOC PHONG TOAN DAN Board of Editors, published in TAP CHI QUOC PHONG TOAN DAN issue No. 1-1993.



